

Appendix D Summary of Relocation Benefits

D.1 California Department of Transportation Relocation Assistance Program

D.1.1 Declaration of Policy

“The purpose of this title is to establish a *uniform policy for 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.”

The Fifth Amendment to the U.S. Constitution states, “No Person shall...be deprived of life, liberty, or property, without due process of law, nor shall private property be taken for public use without just compensation.” The Uniform Act sets forth in statute the due process that must be followed in Real Property acquisitions involving federal funds. The Surface Transportation and Uniform Relocation Assistance Act of 1987 designated the United States Department of Transportation as the Federal Lead Agency for the Uniform Act. Duties include the development, issuance, and maintenance of the government-wide regulation, providing assistance to other Federal agencies, and reporting to Congress. This responsibility has been delegated to the FHWA and is carried out by the Office of Real Estate Services. Supplementing the Uniform Act is the government-wide single rule for all agencies to follow, set forth in 49 Code of Federal Regulations, Part 24. Displaced individuals, families, businesses, farms, and nonprofit organizations may be eligible for relocation advisory services and payments, as discussed below.

D.1.2 Fair Housing

The Fair Housing Law (Title VIII of the Civil Rights Act of 1968) sets forth the policy of the United States to provide, within constitutional limitations, for fair housing. This Act, and as amended, makes discriminatory practices in the purchase and rental of most residential units illegal. Whenever possible, minority persons shall be given reasonable opportunities to relocate to any available housing regardless of neighborhood, as long as the replacement dwellings are decent, safe, and sanitary and are 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.

Any persons to be displaced will be assigned to a relocation advisor, who will work closely with each displacee in order to see that all payments and benefits are fully utilized, and that all regulations are observed, thereby avoiding the possibility of displacees jeopardizing or forfeiting any of their benefits or payments. At the time of the initiation of negotiations (usually the first written offer to purchase), owner-occupants are given a detailed explanation of the state's relocation services. Tenant occupants of properties to be acquired are contacted soon after the initiation of negotiations, and also are given a detailed explanation of the Caltrans Relocation Assistance Program. 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 Department relocation advisor.

D.1.3 Relocation Assistance Advisory Services

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, the Department will provide relocation advisory assistance to any person, business, farm or nonprofit organization displaced as a result of the acquisition of real property for public use, so long as they are legally present in the United States. The Department will assist eligible displacees in obtaining comparable replacement housing by providing current and continuing information on the availability and prices of both houses for sale and rental units that are "decent, safe and sanitary." Nonresidential displacees will receive information on comparable properties for lease or purchase (For business, farm and nonprofit organization relocation services, see below).

Residential replacement dwellings will be in a location generally not less desirable than the displacement neighborhood at prices or rents within the financial ability of the individuals and families displaced, and reasonably accessible to their places of employment. Before any displacement occurs, comparable replacement dwellings will be offered to displacees that are open to all persons regardless of race, color, religion, sex, national origin, and consistent with the requirements of Title VIII of the Civil Rights Act of 1968. This assistance will also include the supplying of information concerning Federal and State assisted housing programs, and any other known services being offered by public and private agencies in the area.

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 first being given at least 90 days written notice. Residential occupants eligible for relocation payment(s) will not be required to move unless at least one comparable "decent, safe

and sanitary” replacement dwelling, available on the market, is offered to them by the Department.

D.1.4 Residential Relocation Payments

The Relocation Assistance Program will help eligible residential occupants by paying certain costs and expenses. These costs are limited to those necessary for or incidental to the purchase or rental of a replacement dwelling and actual reasonable moving expenses to a new location within 50 miles of the displacement property. Any actual moving costs in excess of the 50 miles are the responsibility of the displacee. The Residential Relocation Assistance Program can be summarized as follows:

D.1.4.1 Moving Costs

Any displaced person, who lawfully occupied the acquired property, regardless of the length of occupancy in the property acquired, will be eligible for reimbursement of moving costs. Displacees will receive either the actual reasonable costs involved in moving themselves and personal property up to a maximum of 50 miles, or a fixed payment based on a fixed moving cost schedule. Lawful occupants who move into the displacement property after the initiation of negotiations must wait until the Department obtains control of the property in order to be eligible for relocation payments.

D.1.4.2 Purchase Differential

In addition to moving and related expense payments, fully eligible homeowners may be entitled to payments for increased costs of replacement housing.

Homeowners who have owned and occupied their property for 180 days or more prior to the date of the initiation of negotiations (usually the first written offer to purchase the property), may qualify to receive a price differential payment and may qualify to receive reimbursement for certain nonrecurring costs incidental to the purchase of the replacement property. An interest differential payment is also available if the interest rate for the loan on the replacement dwelling is higher than the loan rate on the displacement dwelling, subject to certain limitations on reimbursement based upon the replacement property interest rate. The maximum combination of these three supplemental payments that the owner-occupant can receive is \$22,500.

If the total entitlement (without the moving payments) is in excess of \$22,500, the Last Resort Housing Program will be used (See the explanation of the Last Resort Housing Program below).

D.1.4.3 Rent Differential

Tenants and certain owner-occupants (based on length of ownership) who have occupied the property to be acquired by the Department prior to the date of the initiation of negotiations may qualify to receive a rent differential payment. This payment is made when the Department determines that the cost to rent a comparable “decent, safe and sanitary” replacement dwelling will be more than the present rent of the displacement dwelling. As an alternative, the tenant may qualify for a down payment benefit designed to assist in the purchase of a replacement property and the payment of certain costs incidental to the purchase, subject to certain limitations noted under the *Down Payment* section below. The maximum amount payable to any eligible tenant and any owner-occupant of less than 180 days, in addition to moving expenses, is \$5,250. If the total entitlement for rent supplement exceeds \$5,250, the Last Resort Housing Program will be used.

In order to receive any relocation benefits, the displaced person must buy or rent and occupy a “decent, safe and sanitary” replacement dwelling within one year from the date the Department takes legal possession of the property, or from the date the displacee vacates the displacement property, whichever is later.

D.1.4.4 Down Payment

The down payment option has been designed to aid owner-occupants of less than 180 days and tenants in legal occupancy prior to the Department’s initiation of negotiations. The down payment and incidental expenses cannot exceed the maximum payment of \$5,250. The one-year eligibility period in which to purchase and occupy a “decent, safe and sanitary” replacement dwelling will apply.

D.1.4.5 Last Resort Housing

Federal regulations (49 CFR 24) contain the policy and procedure for implementing the Last Resort Housing Program on federal-aid projects. Last Resort Housing benefits are, except for the amounts of payments and the methods in making them, the same as those benefits for standard residential relocation as explained above. Last Resort Housing has been designed primarily to cover situations where a displacee cannot be relocated because of lack of available comparable replacement housing, or when the anticipated replacement housing payments exceed the \$22,500 and \$5,250 limits of the standard relocation procedure, because either the displacee lacks the financial ability or other valid circumstances.

After the initiation of negotiations, the Department will within a reasonable length of time, personally contact the displacees to gather important information, including the following:

- Number of people to be displaced;
- Specific arrangements needed to accommodate any family member(s) with special needs;
- Financial ability to relocate into comparable replacement dwelling which will adequately house all members of the family;
- Preferences in area of relocation;
- Location of employment or school.

D.1.4.6 Mobile Home

A mobile home generally refers to single, double or triple wide mobile home units. It does not include manufactured homes that are permanently affixed to the realty, as these are treated as single family dwellings. However, it can include certain trailers or recreational vehicles that are a primary residence depending on how they are permanently affixed to the real property.

If the mobile home is not acquired by Caltrans, the owner (regardless of who occupies it) of a mobile home is eligible for a payment to move the mobile home to a replacement piece of land based on an actual cost basis. This includes the cost to disassemble, move and reassemble any porches, decks, skirting and/or awnings. Additional costs may be eligible for reimbursement if Caltrans determines they are “actual, reasonable and necessary.”

Moving Cost

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.

Replacement Housing Payments

180-Day Owner-Occupant

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 RHP that consists of a Price Differential, Mortgage Differential and/or Incidental Expenses.

Price Differential

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. 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.

Mortgage Differential

The Mortgage Differential payment will reimburse you for any increased mortgage interest costs you might incur because the interest rate on your new mortgage for the real property, or the loan obtained for just the mobile home unit, exceeds the interest rate on the property acquired by Caltrans. The payment computation is complex because it is based on prevailing rates, your existing loan and your new loan. Also, a part of this 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.

Incidental Expenses

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 associated with the purchase of property. You may also be eligible for certain costs related to the purchase of a new mobile home, such as sales tax or use tax payments, DMV title transfer fees, or building and transportation permits. You will not be reimbursed for any recurring costs such as prepaid real estate taxes and property insurance.

If the total amount of your RHP (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.

90-Day Owner-Occupant

If you qualify as a 90-day occupant (either as an owner or tenant), you may be eligible for a RHP in the form of a Rent Differential. Remember – it is your status in the mobile home unit that determines your “occupancy.”

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.

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.

Down Payment Option

The Down Payment is a direct conversion of the Rent Differential payment. If the Caltrans calculated Rent Differential is between \$0 and \$5,250, your Down Payment 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 option must be used for the required Down Payment, which is usually a percentage of the entire purchase price, plus any eligible 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.

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.

D.1.5 The Business and Farm Relocation Assistance Program

The Business and Farm Relocation Assistance Program provides aid in locating suitable replacement property for the displacee's farm or business, including, when requested, a current list of properties offered for sale or rent. In addition, certain types of payments are available to businesses, farms, and non-profit organizations. These payments may be summarized as follows:

- Reimbursement for the actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business in an amount not greater than the reasonable cost of relocating the property.
- Reimbursement up to \$1,000 of actual reasonable expenses in searching for a new business site.
- Reimbursement up to \$10,000 of actual reasonable expenses related to the reestablishment of the business at the new location
- Reimbursement of the actual reasonable cost of moving inventory, machinery, office equipment and similar business-related personal property, including dismantling, disconnecting, crating, packing, loading, insuring, transporting, unloading, unpacking, and reconnecting personal property.
- Payment "in lieu" of moving expense is available to businesses which are expected to suffer a substantial loss of existing patronage as a result of the displacement, or if certain other requirements such as inability to find a suitable relocation site are met. This payment is an amount equal to the average annual net earnings for the last two taxable years prior to relocation. Such payment may not be less than \$1,000 and not more than \$20,000.

D.1.6 Additional Information

Reimbursement for moving costs and replacement housing payments are not considered income for the purpose of the Internal Revenue Code of 1954, or for the purpose of determining the extent of eligibility of a displacee for assistance

under the Social Security Act, or any other law, *except* for any Federal law providing local “Section 8” Housing Programs.

Any person, business, farm or nonprofit organization which has been refused a relocation payment by the Department relocation advisor or believes that the payment(s) offered by the agency are inadequate, may appeal for a special hearing of the complaint. No legal assistance is required. Information about the appeal procedure is available from the relocation advisor.

California law allows for the payment for lost goodwill that arises from the displacement for a public project. A list of ineligible expenses can be obtained from Caltrans Right of Way. California’s law and the federal regulations covering relocation assistance provide that no payment shall be duplicated by other payments being made by the displacing agency.

D.1.7 Important Notice

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

State of California
Caltrans of Transportation, District # 8
464 West 4th Street
San Bernardino, CA 92401

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Attachment A Your Rights and Benefits
as a Displacee Under the
Uniform Relocation
Assistance Program
(Residential)

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Attachment B Your Rights and Benefits
as a Displacee Under the
Uniform Relocation
Assistance Program
(Mobile Homes)

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Attachment C Your Rights and Benefits
as a Displaced Business,
Farm, or Nonprofit
Organization Under the
Uniform Relocation
Assistance Program

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