



Meeting Binder for Court Facilities Advisory Committee

APRIL 16, 2019



**JUDICIAL COUNCIL
OF CALIFORNIA**

ADMINISTRATIVE DIVISION
FACILITIES SERVICES



Meeting Binder

Court Facilities Advisory
Committee

April 16, 2019

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JUDICIAL COUNCIL OF CALIFORNIA

COURT FACILITIES
ADVISORY COMMITTEE

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COURT FACILITIES ADVISORY COMMITTEE

OPEN MEETING WITH CLOSED SESSION AGENDA

Open to the Public Unless Indicated as Closed (Cal. Rules of Court, rule 10.75(c) and (d))

THIS MEETING IS BEING CONDUCTED BY ELECTRONIC MEANS

OPEN PORTION OF THIS MEETING IS BEING RECORDED

Date: April 16, 2019
Time: 12:00 p.m. – 1:00 p.m. – Open Session (Open to Public)
1:00 p.m. – 1:30 p.m. – Closed Session (Closed to Public)
Location: Conference Call
Public Call-In Number: (877) 820-7831 and enter Passcode: 7004216

Meeting materials for open portions of the meeting will be posted on the advisory body web page on the California Courts website at least three business days before the meeting.

Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order.

I. OPEN MEETING (CAL. RULES OF COURT, RULE 10.75(C)(1))

Call to Order, Roll Call, and Opening Remarks

II. PUBLIC COMMENT (CAL. RULES OF COURT, RULE 10.75(K)(1))

Written Comment

This meeting will be conducted by electronic means with a listen only conference line available for the public. As such, the public may submit comments for this meeting only in writing. In accordance with California Rules of Court, rule 10.75(k)(1), written comments pertaining to any agenda item of a regularly noticed open meeting can be submitted up to one complete business day before the meeting. For this specific meeting, comments should be e-mailed to cfac@jud.ca.gov or mailed or delivered to 455 Golden Gate Avenue, San Francisco, CA 94102, attention: Chris Magnusson. Only written comments received by 5:00 PM on April 15, 2019, will be provided to advisory body members prior to the start of the meeting.

**III. OPEN SESSION: DISCUSSION AND POSSIBLE ACTION ITEMS
(ITEMS 1-2)**

Item 1

**Director's Report on the Reassessment of Courthouse Capital Projects
(No Action Required – Information Only)**

Update on the progress of the reassessment of courthouse capital projects as required by Senate Bill 847 (Committee on Budget and Fiscal Review).

Presenter: Mr. Mike Courtney, Director, Judicial Council Facilities Services

Item 2

Revision to the Judicial Council's Relocation Policy (Action Required)

Discussion of proposed revision to the council's *Rules and Regulations for Relocation Payments and Assistance on Judicial Branch Capital-Outlay Projects*.

Presenters: Ms. Mary Bustamante, Manager, Judicial Council Facilities Services
Mr. Jeremy Ehrlich, Attorney, Judicial Council Legal Services

IV. ADJOURNMENT

Adjourn to Closed Session

**V. CLOSED SESSION – CLOSED TO PUBLIC
(CAL. RULES OF COURT, RULE 10.75(D))**

Call to Order and Opening Remarks

**VI. CLOSED SESSION: INFORMATION ONLY ITEM
(NO ACTION REQUIRED)**

Closed Information Item 1

Design Standards

In accordance with rule 10.75(d)(2) of the California Rules of Court, the Chair has exercised discretion to close this portion of the meeting to discuss claims, administrative claims, agency investigations, or pending or reasonably anticipated litigation naming, or reasonably anticipated to name, a judicial branch entity or a member, officer, or employee of such an entity.

VII. ADJOURNMENT OF MEETING

Adjourn



JUDICIAL COUNCIL OF CALIFORNIA

RULES AND REGULATIONS FOR RELOCATION PAYMENTS AND ASSISTANCE ON JUDICIAL BRANCH CAPITAL-OUTLAY PROJECTS

The Judicial Council of California (Judicial Council) adopted the *Site Selection and Acquisition Policy for Court Facilities* on August 14, 2009 (originally adopted on June 29, 2007). Under that policy, the Administrative Director is given authority, on recommendation by Judicial Council staff, to approve the selection of, negotiate terms for, and acquire sites for new court facilities. At the time of acquisition, some of those sites may include existing businesses, farm operations, or residences that would necessarily be displaced as a result of the Judicial Council's planned use of the sites for construction and operation of new court facilities.

State law requires public entities such as the Judicial Council to provide relocation assistance and financial payments to persons and businesses that are displaced as a direct result of the acquisition of property for a public project, except as limited by Government Code section 7277. The minimum requirements for such relocation assistance and benefits are set forth in the California Relocation Assistance Act (the Act; Gov. Code, § 7260 et seq.) and the Relocation Assistance and Real Property Acquisition Guidelines (the Guidelines; Cal. Code Regs., tit. 25, § 6000 et seq.).¹

These rules and regulations are adopted by the Judicial Council under section 7267.8 of the Act and section 6006 of the Guidelines, and shall be promptly revised as necessary to conform to any amendment of the Act or Guidelines. This is a resource document only however and, to the extent this document conflicts with or otherwise omits any requirements of the Act or Guidelines, the relevant section(s) of the Act and Guidelines shall prevail. Moreover, any references to Judicial Council staff or offices which become obsolete in light of any organizational restructuring that may subsequently occur after the adoption of these rules and regulations shall be deemed to be references to the current appropriate position or office of the Judicial Council applicable to whatever task or responsibility is being referenced.

1. RELOCATION ADVISORY ASSISTANCE

1.1. Judicial Council Representative

1.1.1. As a function of the Judicial Council's relocation program, technical and advisory assistance will be provided to any person (displaced person) or business or farm operation

¹ The Act and Guidelines do not apply to projects with federal financial assistance and, pursuant to subdivision (b) of section 7267.8 of the Act and section 6018 of the Guidelines, the Judicial Council shall make relocation payments and provide relocation advisory assistance for any federally-funded projects as required by federal law (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601 et seq.; 49 C.F.R. § 24.1 et seq.).

(displaced business or farm operation)² that may be displaced as the result of the Judicial Council's acquisition of a particular parcel of real property as part of a Judicial Council capital project (project). Said assistance will be provided by staff in the Judicial Council's Facilities Services office, specifically the Senior Facilities Analyst assigned to the project by the Manager, Real Estate.

1.1.2. The Senior Facilities Analyst may be assisted by a third-party relocation consultant. The relocation consultant will be selected following a Request for Proposals solicitation in compliance with the Judicial Branch Contracting Manual and Judicial Council of California Local Contracting Manual, as applicable, with scoring of candidates conducted by the Manager, Real Estate. The contract with the relocation consultant so selected will then be executed by the Manager, Business Services, or as otherwise required or permitted by then-existing Judicial Council contracting policy.

1.2. Relocation Plan. As soon as possible following the initiation of negotiations and prior to proceeding with any phase of a project or other activity that will result in displacement, the Judicial Council shall prepare a Relocation Plan in accordance with and pursuant to section 6038 of the Guidelines, which shall be submitted to the Administrative Director for approval.

1.3. Informational Program

1.3.1. **General.** All eligible displaced persons or displaced businesses or farm operations, as determined by the Act and Guidelines, will receive information about the displacement. All displaced persons and displaced businesses or farm operations also will receive assistance in completing applications for replacement housing or business premises, requesting relocation benefits, and obtaining services from other public agencies, if applicable.

1.3.2. **Notices.** Service of all notices required by these rules and regulations shall be made either by certified mail, return receipt requested, or by personal service upon the person to be notified.

1.3.3. **Relocation Planning.** The relocation consultant, under supervision of the Senior Facilities Analyst assigned to the project, will take the following specific actions with respect to each affected resident, business, or farm operation:

1.3.3.1. As soon as feasible and not more than 60 days following initiation of negotiations, the relocation consultant will locate and contact each potential displaced person and displaced business or farm operation to explain the relocation process as well as other assistance for which the displaced person or displaced business or farm operation may be eligible, the related eligibility requirements therefor, and the procedures for obtaining such assistance. Displaced persons and displaced business or farm operation representatives who are unable to understand the information shall be provided appropriate translation services where necessary.

1.3.3.2. **Survey and Analysis of Relocation Needs.** By direct, personal interview (or, if not possible/productive, by other means with reasonable efforts), representatives from each household, business, or farm operation affected by a project will be surveyed by the relocation consultant in order to gather relevant information to assess their needs and preferences with regard to the replacement of existing accommodations. Inquiries, which shall be updated

² The full definitions of "person," "business," and "farm operation" set forth in section 7260 of the Act and section 6008 of the Guidelines shall be applied in carrying out these rules and regulations.

annually, will cover the following areas: income; whether a person is elderly or handicapped; size of family; age of children; location of job and factors limiting accessibility; area of preferred relocation; type of unit preferred; ownership or tenant preference; need for social and public services, special schools and other services; eligibility for publicly assisted housing; with reference to the present dwelling, the rent, the type and quality of construction, the number of rooms and bedrooms, the amount of habitable living space, and locational factors including public utilities, public and commercial facilities (including transportation and schools) and neighborhood conditions (including municipal services); and other matters that concern a household as its members contemplate relocation. From this survey, a written analysis of relocation housing needs shall be prepared in sufficient detail to enable a determination of the availability for all potential displacees of housing. The information concerning home ownership and rental units shall be provided separately. The number of units needed shall be identified by cost for each size category. The needs of elderly and handicapped households shall be shown separately as well and shall include information on the number of such households requiring special facilities and the nature of such facilities. The statement of relocation housing needs shall include a description of the locational characteristics of the displacement area neighborhoods corresponding to the requirements of comparable replacement housing. Information shall be provided concerning proximity to present employment sources, medical and recreational facilities, parks, community centers, shopping, transportation and schools.

1.3.3.3. *Survey and Analysis of Relocation Resources.* Within 60 days of the initiation of negotiations, a survey and analysis of available comparable relocation resources shall be conducted and updated annually. If a recent survey that provides such information is not available, a survey and analysis of the housing market shall be conducted. The survey area shall be reasonably related to the displacement area and to the needs and preferences of the persons to be displaced, as indicated in the written analysis of relocation needs described above. A written analysis of relocation housing resources shall be prepared in sufficient detail to enable a determination of the availability for all potential displacees of housing. The analysis of available relocation resources shall comply with the provisions of subdivisions (d) and (e) of section 6052 of the Guidelines.

1.3.3.4. A residential or business informational brochure will be provided to all potential displaced persons and displaced businesses or farm operations. Signed acknowledgments will be obtained to verify receipt of this material.

1.3.3.5. Transportation will be provided, if necessary, for displaced persons or displaced business or farm operation members to inspect replacement sites within their local areas. Specific assistance may also be provided to senior citizens in finding housing near friends, relatives, medical facilities, and convenient transportation.

1.3.3.6. Referrals to governmental and social service agencies will be made, if needed.

2. RELOCATION BENEFITS (FINANCIAL ASSISTANCE)

Relocation assistance and benefits shall be available to any person (i) who occupies property from which he or she will be displaced; (ii) who will move from real property, or will move his or her personal property therefrom, because he or she will be displaced from other property on which he or she conducts a business or farm operation; (iii) who voluntarily or involuntarily moves from real property as a result of the Judicial Council's acquisition; (iv) who, following the initiation of negotiations by the Judicial Council, moves as a result of the pending acquisition; or (v) who moves

as the result of the Judicial Council’s pending acquisition, rehabilitation, or demolition following receipt of a Notice of Intent to Displace under section 6086 of the Guidelines or as a result of inducement or encouragement by the Judicial Council. The benefits for which a displaced person or displaced business or farm operation is eligible are determined by the category of occupancy in which it falls. During the survey of relocation needs and follow-up visits, each displaced person and displaced business or farm operation will be counseled on available options and the consequences of any choice with respect to financial assistance.

2.1. Residential Relocation

2.1.1. **Moving Expenses – Owner Occupants and Tenants.** To be eligible to receive payment for moving expenses, a resident must have lawful occupancy as of the date of the Judicial Council’s initiation of negotiations. A choice of two payment options for reasonable moving expenses is available to such qualified occupants:

2.1.1.1. **Fixed Payment.** A displaced person may receive a fixed payment allowance, based on the total number of rooms (excepting bathrooms) at the acquired site and whether the unit is furnished or unfurnished. The claim will be paid by the Judicial Council after the unit is vacated. For fixed payments, two or more individuals (whether they are members of one family or not) living together in and displaced from a single dwelling shall be regarded as one person. Fixed payments will be made according to the following schedules³:

Occupant Owns Furniture

Number of Rooms	1	2	3	4	5	6	7	8	Add’l Room(s)
Amount of Payment	\$725	\$930	\$1,165	\$1,375	\$1,665	\$1,925	\$2,215	\$2,505	\$265

Occupant Does Not Own Furniture

Number of Rooms	First Room	Each Additional Room
Amount of Payment	\$475	\$90

2.1.1.2. **Actual Cost.** In accordance with section 6090 of the Guidelines, a displaced person may receive payment for the actual cost of a move and related expenses, which shall not exceed the reasonable cost of accomplishing the activity in connection with which a claim is filed. The displaced person must support its claim for payment with a bill or other evidence of expenses incurred; provided, however, that the Judicial Council may solicit competitive bids from qualified bidders for performance of the work. A displaced person electing to self-move may submit a claim for actual moving expenses in an amount not to exceed an acceptable low bid or an amount otherwise acceptable to the Judicial Council. The moving and related expenses for which claims for payment may be filed by a displaced person shall include:

- (i) Transportation of persons and property not to exceed a distance of 50 miles from the site from which displaced, except where relocation beyond such distance of 50

³ Fixed payment amounts will be updated to be consistent with the *Residential Moving Expense and Dislocation Allowance Payment Schedule* established by the Federal Highway Administration under Part 24 of Title 49 of the Code of Federal Regulations and maintained by the California Department of Transportation.

miles is justified;

- (ii) Packing, crating, unpacking and uncrating personal property;
- (iii) Such storage of personal property, for a period generally not to exceed 12 months, as determined by the Judicial Council to be necessary in connection with relocation;
- (iv) Insurance of personal property while in storage or transit;
- (v) The reasonable replacement value of property lost, stolen or damaged (not through the fault or negligence of the displaced person, or his or her agent or employee) in the process of moving, where insurance covering such loss, theft or damage is not reasonably available; and
- (vi) The cost of disconnecting, dismantling, removing, reassembling, reconnecting and reinstalling machinery, equipment or other personal property (including goods and inventory kept for sale) not acquired by the public entity, including one-time connection charges imposed by public utilities for starting utility service, such as for telephone, gas, electricity, water, sewer, and telecommunications services.

2.1.2. ***Replacement Housing Payments—Owner-Occupants.*** A payment up to \$22,500 is available to assist a qualified owner-occupant in purchasing a suitable replacement dwelling. To qualify, an owner must (i) be displaced from the acquired dwelling, (ii) have owned and occupied the acquired dwelling for at least 180 days prior to the initiation of negotiations for its acquisition, and (iii) purchase and occupy (subject to subdivisions (a)(3)-(5) of section 6102 of the Guidelines) a decent, safe, and sanitary replacement dwelling within one year of the later date of either final payment for acquiring the dwelling or moving from the acquired dwelling. For replacement housing payments for owner-occupants, two or more individuals (whether they are members of one family or not) living together in and displaced from a single dwelling shall be regarded as one person. This payment has multiple elements, which combined cannot exceed \$22,500. The exact amount each displaced owner-occupant is entitled to must be computed individually on the following basis:

2.1.2.1. ***Housing Differential Payment.*** A displaced owner-occupant may receive the amount, if any, which when added to the acquisition cost of the dwelling acquired for the project equals the reasonable cost of a comparable replacement dwelling. This amount shall not exceed the difference between the acquired dwelling's acquisition price and the actual purchase price of the replacement dwelling, and shall be updated to within three months of the date of purchase. To determine the amount of a housing differential payment, the reasonable cost of a replacement dwelling shall be calculated using either a comparative, schedule, or alternative method as set forth in subdivision (c) of section 6102 of the Guidelines.

2.1.2.2. ***Interest Differential Payment.*** A displaced owner-occupant may receive the amount, if any, to compensate the displaced person for any increased interest costs

that are required to pay for financing the acquisition of a replacement dwelling. An interest differential payment will only be made if the acquired dwelling was encumbered by a bona fide mortgage which was a valid lien on the dwelling for not less than 180 days prior to the initiation of negotiations. The amount of any interest differential payment shall be calculated in accordance with subdivision (c) of section 6102 of the Guidelines.

2.1.2.3. *Incidental Expenses.* The displaced owner-occupant may be reimbursed for actual, incidental costs incurred in purchasing a replacement dwelling including, but not limited to, the following: legal, closing, and related costs including title search, preparing conveyance contracts, notary fees, surveys, preparing drawings or plats, and charges paid incident to recordation; lender, FHA, VA or similar appraisal cost; FHA, VA or similar application fee; cost for certification of structural soundness; credit report charges; charge for owner's and mortgagee's evidence or assurance of title; escrow agent's fee; and sales or transfer taxes. The incidental expenses shall be reasonable, shall be legally required or customary in the community, and shall not exceed the amount attributable to the replacement dwelling's purchase.

2.1.2.4. *Rehabilitation Costs.* If a replacement dwelling does not satisfy the decent, safe, and sanitary standard, the displaced owner-occupant may be reimbursed for the costs of rehabilitation in accordance with section 6108 of the Guidelines.

2.1.3. ***Replacement Housing Payments—Tenants.*** A payment of up to \$5,250 is available to assist a qualified displaced tenant in either renting or purchasing a replacement dwelling as set forth below. To qualify, a tenant must (i) have occupied the acquired dwelling for at least 90 days prior to the initiation of negotiations for its acquisition and (ii) not be eligible to receive or elect not to receive a replacement housing payment for owner-occupants described above. For replacement housing payments for tenants, two or more individuals (whether they are members of one family or not) living together in and displaced from a single dwelling shall be regarded as one person. The Judicial Council may disburse replacement housing payments for tenants in a lump sum, monthly intervals, or at other intervals acceptable to the displaced person.

2.1.3.1. *Tenants Who Rent.* A displaced tenant who rents a replacement dwelling (or an owner-occupant who chooses to rent a replacement dwelling instead of purchasing)⁴ is entitled to an amount necessary to enable such person to lease or rent the replacement dwelling for a period not to exceed 42 months. The amount of payment necessary to lease or rent a comparable replacement dwelling shall be computed by subtracting 42 times the base monthly rental of the displaced person from 42 times the monthly rental for a comparable replacement dwelling, which shall not exceed the difference between 42 times the displaced tenant's base monthly rental and 42 times the monthly rental actually required for the replacement dwelling occupied by the displaced tenant. Said payment shall be calculated in accordance with subdivision (d)(1) of section 6104 of the Guidelines and shall be updated within three months of the date of rental of the replacement dwelling.

2.1.3.2. *Tenants Who Purchase.* If a displaced tenant elects to purchase a replacement dwelling instead of renting, the displaced tenant is entitled to an amount necessary to enable such person to make a downpayment on the purchase of a replacement dwelling. The amount of payment necessary to make a downpayment shall not exceed the amount of a reasonable downpayment for the purchase of a replacement dwelling where such purchase is financed, plus the

⁴ Dependents of a displaced owner-occupant residing separate and apart from the person or family providing support may be entitled to replacement housing payments for the period in which the displaced dependent resides in the replacement dwelling, as set forth in subdivision (e)(2) of section 6104 of the Guidelines.

same incidental expenses which owner-occupants are entitled for replacement housing payments discussed above. The replacement housing payment shall be applied to the purchase of the replacement dwelling and shall be shown on the closing statement or other document acceptable to the public entity.

2.1.4. *Manufactured Homes and Mobile Homes.* A person displaced from a manufactured home or mobile home must satisfy the same eligibility requirements and shall be provided the same assistance, assurance, and payments as a person displaced from a conventional dwelling. However, the criteria for moving expenses and/or replacement housing applicable to manufactured homes and mobiles homes instead shall be pursuant to section 6112 of the Guidelines.

2.2. Business and Farm Operation Relocation

2.2.1. Moving Expenses

2.2.1.1. *Basic Requirements.* In accordance with section 6090 of the Guidelines, a displaced business or farm operation may receive payment for the actual cost of a move and related expenses, which costs shall be reasonable in amount and could not be avoided or substantially reduced at an alternate available, suitable site. For any claim in excess of \$1,000, a displaced business or farm operation must support its claim for payment by competitive bids in such number as are practical, but not less than a minimum of two competitive bids from qualified, licensed professional movers. The Judicial Council may also solicit competitive bids from qualified bidders for performance of the work.

2.2.1.2. *Permitted Expenses.* The moving and related expenses for which claims for payment may be filed by a displaced business⁵ or farm operation shall include:

- (i) All compensable moving and related expenses to which a displaced person is entitled under subdivision (a) of section 6090 of the Guidelines, as described above;
- (ii) Costs for modifying the machinery, equipment, or other personal property to adapt it to the replacement location or to utilities available at the replacement location or modifying the power supply;
- (iii) Costs for any license, permit, or certification required by a displaced business to the extent such cost is necessary to the reestablishment of its operation at a new location; and
- (iv) Reasonable costs for any professional services (including, but not limited to, architects, attorneys, or engineers' fees, or consultants' charges) necessary for planning the move of personal property, moving the

⁵ In accordance with section 6096 of the Guidelines, a displaced business that conducts a lawful activity primarily for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of outdoor advertising displays is entitled only to payment for the lesser of either the reasonable cost of moving such displays or their in-place value.

personal property, or installation of relocated personal property at the replacement site,

2.2.1.3. *Personal Property of Low Value and High Bulk.* In the Judicial Council's discretion, if the cost of moving any item of personal property of low value and high bulk used in connection with any business or farm operation (i.e., junkyards, stockpiles, sand, gravel, minerals, metals, and similar property) would be disproportionate to its value, then the allowable reimbursement for the expense of moving such property shall not exceed the difference between the cost of replacing the same with a comparable item available on the market and the amount which would have been received for such property on liquidation.

2.2.2. *Payments Related to Personal Property Not Moved.*

2.2.2.1. *Loss of Tangible Personal Property.* A displaced business or farm operation may receive payment for actual direct loss of tangible personal property as a result of moving or discontinuing a business or farm operation. Payment for actual direct loss of tangible personal property shall be based on the lesser of either the fair market value of the property for continued use at its location prior to displacement or the estimated reasonable costs of relocating the property, minus any proceeds from the sale of the item. The Judicial Council may require the owner to first make a bona fide effort to sell the property or may permit the owner not do so; provided, however, that the proceeds realized from any sale shall be deducted from the determination of loss and the reasonable cost of an effort to sell the property shall be added to said determination. A claim for payment of actual direct loss of tangible personal property shall be supported by written evidence of loss which may include appraisals, certified prices, bills of sale, receipts, cancelled checks, copies of advertisements, offers to sell, auction records, and other records appropriate to support the claim; the Judicial Council may instead agree as to the value of the property left in place as well.

2.2.2.2. *Replacement of Personal Property.* When an item of personal property which is used in connection with any business or farm operation is not moved but is replaced with a comparable item, a displaced business or farm operation may receive a payment for reimbursement in an amount not to exceed the lesser of the replacement cost of the personal property minus any net proceeds from its sale, or the estimated cost of moving the personal property.

2.2.2.3. *Abandoned Personal Property.* When personal property is abandoned with no effort made by the displaced business or farm operation to dispose of such property, the displaced business or farm operation is not entitled to claim moving expenses or losses for the abandoned personal property.

2.2.3. *Search Costs for a Replacement Location.* A displaced business or farm operation may receive payment for costs to search for a replacement business or farm, not to exceed \$1,000. A claim for search costs must be supported by accurate records of dates, times, locations, expenses, receipts, diaries, and similar evidence, and may include the following expenses:

2.2.3.1. Transportation;

2.2.3.2. Meals and lodging while away from home, when receipts are presented as documentation;

2.2.3.3. Reasonable time spent on searching, based on the individual's average hourly wage rate of the salary or earnings of the displaced person or his representative; and

2.2.3.4. Reasonable fees paid to real estate agents or brokers to locate a replacement business or farm, excluding any fees or commissions related to the purchase of replacement site.

2.2.4. *Reestablishment Costs for a Business.*

2.2.4.1. *Eligible Expenses.* In addition to moving expense payments, a small business of not more than 500 employees (as further defined in subdivision (i)(1)(M) of section 6090 of the Guidelines), farm, or nonprofit organization may be entitled to actual and reasonable costs which are necessary to reestablish its operations at a new location, not to exceed \$10,000. Such a claim must be supported by accurate records of dates, times, expenses, fees, receipts, and similar evidence, and may include the following expenses:

- (i) Repairs or improvements to the replacement property, as required by Federal, State, or local law, code, or ordinance;
- (ii) Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business;
- (iii) Construction and installation costs for exterior signage to advertise the business;
- (iv) Provision of utilities from right-of-way to improvements at the replacement site;
- (v) Redecoration or replacement of soiled or worn surfaces at the replacement site such as paint, paneling, or carpeting;
- (vi) Licenses, fees, and permits, when not paid as part of moving expenses;
- (vii) Advertisement of replacement location;
- (viii) Professional services in connection with the purchase or lease of a replacement site;
- (ix) Estimated increased costs of operation during the first two years at the replacement site for such items as lease or rental charges, personal or real property taxes, insurance premiums, and utility charges excluding impact fees;
- (x) Impact fees or one-time assessments for anticipated heavy usage; and
- (xi) Other items essential to the reestablishment of the

business.

2.2.4.2. *Ineligible expenses.* The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary, or otherwise eligible:

- (i) Purchase of capital assets such as office furniture, filing cabinets, machinery, or trade fixtures.
- (ii) Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.
- (iii) Interior or exterior refurbishments at the replacement site which are for aesthetic purposes, except as otherwise provided in these rules and regulations.
- (iv) Interest on money borrowed to make the move or purchase the replacement property.
- (v) Payment to a part-time business in the home which does not contribute materially to the household income.

2.2.5. *Fixed Payment In Lieu of Actual Moving and Related Expenses.* Instead of receiving payment for actual reasonable moving and related expenses (e.g., for moving expenses, personal property not moved, search costs, reestablishment costs, etc.), a single displaced business or farm operation (regardless if carried on under one or more legal entities) may elect to receive a fixed payment allowance equal to the average annual net earnings of the displaced business or farm operation, which shall not be less than \$1,000 or more than \$20,000. A displaced business or farm operation must establish proof of the business or farm operation's earnings by submitting income tax returns, financial statements and accounting records, or similar evidence acceptable to the Judicial Council.

2.2.5.1. *Net Earnings.* As set forth in subdivision (f) of section 6100 of the Guidelines, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation, before federal and state income taxes, during the two taxable years immediately preceding the taxable year in which the business or farm operation moves from the acquired property or as otherwise determined to be equitable for establishing earnings by the Judicial Council, and also includes any compensation paid by the business or farm operation to the owner.

2.2.5.2. *Requirements for Businesses.* A displaced business may not elect to receive a fixed payment unless the Judicial Council determines the below criteria. In concluding whether one or more acquired legal entities constitute a single business, the Judicial Council will consider the extent to which: the same premises and equipment are shared; substantially identical or intimately interrelated business functions are pursued; business and financial affairs are commingled; such entities are held out to the public and those customarily dealing with the entities as one business; and the same person(s) own, control, or manage the affairs of the entities.

- (i) The business is not operated solely for rental purposes and cannot be relocated without a substantial loss of existing patronage based on a consideration of all

pertinent circumstances such as the type of business conducted, the nature of the clientele, the relative importance to the displaced business of its present and proposed location, and the availability of a suitable relocation site;

- (ii) The business is not part of a commercial enterprise having no more than three other establishments that are not being acquired for the project and that are engaged in the same or similar business;
- (iii) During the two taxable years prior to displacement, the displaced business must have either had average annual gross receipts of at least \$5,000; or had average annual net earnings of at least \$1,000; or contributed at least 33 1/3 percent of the total gross income of the owner(s). Other criteria may be used as permitted in 49 CFR 24.306 if the above creates an inequity or hardship.

2.2.5.3. *Requirements for Farms.* A displaced farm operation may not elect to receive a fixed payment unless the Judicial Council determines that the farm met the definition of a farm operation, as set forth in subdivision (e) of section 7260 of the Act, prior to its acquisition.

2.2.5.4. *Requirements for Nonprofit Organizations.* A displaced nonprofit organization may not elect to receive a fixed payment unless the Judicial Council determines that the nonprofit organization cannot be relocated without a substantial loss of its existing patronage (which includes the membership, persons, community, or clientele served or affected) and that the nonprofit organization is not part of an enterprise having more than three other unacquired establishments engaged in the same or similar activity.

3. OTHER AUTHORITY TO MAKE PAYMENTS; LAST RESORT HOUSING

3.1. No Limit on Other Authority. Any other authority or obligation which the Judicial Council may have to make relocation assistance payments, or to make any relocation assistance payment in an amount which exceeds the maximum amount for such payment authorized by the Act or Guidelines, shall not be limited by the provisions of either the Act or the Guidelines. The Judicial Council may also modify or reduce certain requirements for relocation payments whenever so indicated by the Act and Guidelines.

3.2. Last Resort Housing. No eligible person shall be required to move from his or her dwelling because of the Judicial Council's actions unless comparable replacement housing is available to him or her. Based on the data obtained from the surveys and analyses of relocation needs and relocation resources contemplated by these rules and regulations, if the Judicial Council is unable to demonstrate that comparable replacement housing will be available as required, the Administrative Director shall determine whether to use the Judicial Council's funds or the funds authorized for the project to provide such necessary replacement housing or to modify, suspend, or terminate the project or undertaking, as set forth in Article 4 (section 6120 et seq.) of the Guidelines. Whenever comparable replacement dwellings are not available, or are not available within the

monetary limits for applicable replacement housing payments (e.g., \$22,500 for owner-occupants and \$5,250 for tenants), the Judicial Council shall provide additional or alternative assistance in accordance with section 6139 of the Guidelines.

4. RELOCATION BENEFITS—PROCEDURES

4.1. Claims. Claims and supporting documentation for relocation benefits must be filed with the Judicial Council’s Facilities Services office within eighteen months of the date that either: (i) the claimant moves from the Judicial Council-acquired property or (ii) the Judicial Council makes final payment for the acquisition of the property, whichever is later. Except where specifically provided otherwise, a claimant shall not be required to submit a copy of his or her tax returns in support of a claim for relocation payments. The procedure for the preparation and filing of claims, and the processing and delivery of payments therefor, shall be as follows:

4.1.1. Potential displaced persons and displaced businesses or farm operations will be required to provide all necessary documentation to substantiate eligibility for assistance.

4.1.2. Assistance amounts will be determined in accordance with the provisions of the Act, the Guidelines, these rules and regulations, and the project’s budget for relocation costs.

4.1.3. The Senior Facilities Analyst will review each claim for relocation assistance to determine (i) whether the claim is in compliance with the Act, the Guidelines, and these rules and regulations; (ii) the adequacy of documentation supporting the claim; and (iii) whether the claim is within the project’s budget for relocation costs. Those claims deemed in compliance and complete will then be forwarded to the Manager, Real Estate for review. The Manager, Real Estate will then review each claim and confirm that it is in compliance with the Act, the Guidelines, these rules and regulations, within the project’s budget for relocation costs, and supported by adequate documentation. If not, the claim package will be returned to the Senior Facilities Analyst to correct the deficiency or deficiencies.

4.1.4. Once all claims for a project are complete, the Manager, Real Estate will then review the project-wide claim package and confirm that the total amount of claims is within the budgeted amount for relocation costs for the project. The Manager, Real Estate may approve a project-wide claim package request of up to a total of \$1,000,000. Any project-wide claim package request totaling more than \$1,000,000 but less than \$5,000,000 will be forwarded by the Manager, Real Estate to the Director of Facilities Services for review and approval and, if approved by the Director of Facilities Services, notice of any such approval will be given to the Judicial Council’s Chief Administrative Officer and Chief Deputy Director. Any project-wide claims package request of \$5,000,000 or more must be forwarded to the Executive Office for approval by either the Chief Administrative Officer, Chief Deputy Director, or Administrative Director.

4.1.5. If the project-wide claim package request is not within the project’s budgeted amount for relocation costs, then the Judicial Council shall either increase the project’s budgeted amount for relocation costs to satisfy the project-wide claim package request or modify, suspend, or terminate the project or undertaking as necessary and applicable to be in compliance with the Act and the Guidelines.

4.1.6. The Senior Facilities Analyst will forward each duly approved claim for payment to the Associate Fiscal Analyst in Facilities Services assigned to the project for processing.

4.1.7. The Associate Fiscal Analyst assigned to the project will review each claim and ensure all documentation provided is complete and supports the requested payment.

4.1.8. After the Associate Fiscal Analyst assigned to the project has determined that the claim and supporting documentation is complete and supports the requested payment, he or she will forward the claim, supporting documentation, and a check request to Judicial Council Accounting Services.

4.1.9. Judicial Council Accounting Services will review the claim and check request package and then, if it approves the package, send the check request package to the State Controller's Office for issuance of the benefit checks with each claim divided into two equal payments to allow for better management of the claimant move-out process.

4.1.10. The State Controller's Office will issue and deliver the two benefit checks to Judicial Council Accounting Services which will, in turn, deliver the first check directly to the claimant with simultaneous written notice of that delivery to the relocation consultant and Senior Facilities Analyst.

4.1.11. The second and final benefit check will be delivered by Judicial Council Accounting Services to the Senior Facilities Analyst for issuance to the claimant only after receipt by the Senior Facilities Analyst of written confirmation (in the form of a written certification of abandonment executed by the claimant) that the acquired property is completely vacant and, when applicable, actual residency at the replacement dwelling has commenced.

4.1.12. The Facilities Specialist assigned to the project will maintain the relocation documentation (i) in electronic form in a relocation file located within the project file on the G drive and in CAFM, and (ii) in paper form in the Facilities Services' file storage along with the other documents maintained for the project. The relocation documentation maintained in the file will include, at a minimum and without limitation, the estimated cost summary provided by the relocation consultant, notices of eligibility, notices to vacate, invoices, executed certificates of abandonment, and other pertinent relocation documentation for the project as applicable and appropriate.

4.2. Grievance Procedures

4.2.1. ***Right of Review.*** In accordance with Article 5 (section 6150 et seq.) of the Guidelines and the following procedures, any person who believes to be aggrieved by a determination as to relocation assistance eligibility, the amount of relocation payment, the failure of the Judicial Council to provide comparable permanent or adequate temporary replacement housing as applicable, or the Judicial Council's property management practices may elect to have his or her claim reviewed and reconsidered by the Administrative Director or an authorized designee. Additionally, a person or organization directly affected by a Relocation Plan for a project may petition the Department of Housing and Community Development to review the final Relocation Plan of the Judicial Council to determine if the plan is in compliance with state laws and guidelines or review the implementation of a Relocation Plan to determine if the Judicial Council is acting in compliance with its Relocation Plan; however, the failure to petition the Department of Housing and Community Development shall not limit a complainant's right to seek judicial review.

4.2.2. ***Notice.*** If the Judicial Council denies or refuses to consider a claim for relocation assistance, the Judicial Council's notice to the claimant shall provide the reasons for the denial or refusal and the applicable procedures for obtaining review of the decision.

4.2.3. *Stages of Review.*

4.2.3.1. *Request for Further Written Information.* A complainant that feels the explanation accompanying the payment of a claim or notice of the Judicial Council's determination was incorrect or inadequate may request in writing a full written explanation of the Judicial Council's determination and basis therefor, which the Judicial Council shall provide within three weeks of receipt of the written request.

4.2.3.2. *Request for Informal Oral Presentation.* Within 18 months of the date a complainant moves from the acquired property or the date final compensation for the acquired property is received, whichever is later, the complainant may request in writing an informal oral presentation before seeking formal review and reconsideration to discuss the claim with the Administrative Director or a designee (other than the person who made the initial determination). The opportunity for an informal oral presentation shall be afforded to the complainant within 15 days of receipt of the written request and the complainant may be represented by an attorney or other person. The Judicial Council shall make a summary of the discussion for inclusion in the relocation documentation file maintained for the project. The right to formal review and reconsideration shall not be conditioned upon first requesting an informal oral presentation.

4.2.3.3. *Request for Formal Review and Reconsideration.* At any time within 18 months of the date a complainant moves from the acquired property or the date final compensation for the acquired property is received, whichever is later, the complainant may request in writing a formal review and reconsideration. The Judicial Council shall consider the request for review and shall decide whether a modification of its initial determination is necessary. This review shall be conducted by the Administrative Director or an authorized, impartial designee, which may be by committee, who shall have the authority to revise the initial determination or the determination of a previous oral presentation. Assistance in preparing a claim, if needed, shall be provided to the complainant. When a complainant seeks review, the Judicial Council shall inform the complainant that he or she has the right to be represented by an attorney (at the complainant's expense), to present his or her case by oral or documentary evidence, to submit rebuttal evidence, to conduct such cross-examination as may be required for a full and true disclosure of facts, and to seek judicial review once administrative appeal has been exhausted. The scope of review shall be pursuant to the provisions of subdivision (b) of section 6158 of the Guidelines.

4.2.4. *Determination of Formal Review.* Any determination by the Judicial Council on formal review shall be in writing and include, without limitation: the Judicial Council's decision on reconsideration of the claim; the factual and legal basis upon which the decision rests including any pertinent explanation or rationale; and a statement to the claimant that the administrative remedies have been exhausted and judicial review may be sought. The Judicial Council shall issue its determination of review as soon as possible but no later than six weeks from receipt of the last material submitted for consideration by the complainant or the date of the hearing, whichever is later. In the case of complaints dismissed for untimeliness or for any other reason not based on the merits of the claim, the Judicial Council shall furnish a written statement to the complainant stating the reason for the dismissal of the claim as soon as possible but no later than two weeks from receipt of the last material submitted by the complainant or the date of the hearing, whichever is later. A copy of the written determination will be provided to the complainant.

4.2.5. *Stay of Displacement Pending Review.* If a complainant seeks to prevent displacement, the Judicial Council shall not require the complainant to move until at least 20 days

after the Judicial Council has made a determination and the complainant has had an opportunity to seek judicial review.

4.2.6. **Judicial Review.** Upon exhaustion of the administrative remedies available under these rules and regulations and the Guidelines, a complainant shall in no way be precluded or limited from seeking judicial review of a claim.

DRAFT



JUDICIAL COUNCIL
OF CALIFORNIA

ADMINISTRATIVE OFFICE
OF THE COURTS

**RULES AND REGULATIONS
FOR
RELOCATION PAYMENTS AND ASSISTANCE
FOR JUDICIAL BRANCH CAPITAL-OUTLAY PROJECTS**

The Judicial Council adopted the *Site Selection and Acquisition Policy for Court Facilities* on August 14, 2009 (originally adopted on June 29, 2007). Under the site policy, the Administrative Director of the Courts is given authority, on recommendation by Administrative Office of the Courts (AOC) staff, to approve the selection of, negotiate terms for, and acquire sites for new court facilities. The AOC is acquiring a number of properties as future sites for new court facilities. Businesses, governmental agencies or entities, and residents of dwellings on many of these properties may be displaced as a result of AOC's acquisition of such properties.

State law requires public entities such as the AOC to provide relocation assistance and financial payments to persons and businesses that are displaced as a direct result of the acquisition of property for a public project, except as limited by Government Code section 7277. The minimum requirements for such relocation assistance and benefits are set forth in the Relocation Assistance Act (Gov. Code, § 7260 et seq.) and the Relocation Assistance and Real Property Acquisition Guidelines (Cal. Code Regs., Admin. Code, ch. 6, tit. 25, §§ 6000–6198).

These rules and regulations are adopted by the AOC under section 7267.8 of the act and section 6006 of the guidelines.

1. RELOCATION ADVISORY ASSISTANCE

As a function of the AOC's relocation program, technical and advisory assistance will be provided by the AOC and its relocation consultant to any resident (displaced person) or business or governmental agency or entity (displaced business) that may be displaced as the result of the AOC's acquisition of a particular property (project). The AOC will engage a relocation consultant, and the following specific actions will be taken with respect to every affected resident, business, or governmental agency or entity:

1. Representatives from each household, business, or governmental agency or entity affected by an AOC project will be interviewed to gather relevant information to assess their needs and preferences with regard to the replacement of existing accommodations. Inquiries will cover the following areas: family size, age and health considerations,

Adopted by the Judicial Council on December 14, 2010

employment status, family income, transportation needs, and location preferences related to replacement housing (proximity to schools, work, medical facilities, etc.).

2. A residential or business informational brochure will be provided to all potential displaced persons and displaced businesses. Signed acknowledgments will be obtained to verify receipt of this material.
3. As soon as feasible, the AOC will contact each potential displaced person or displaced business and explain the relocation payments and other assistance for which the displaced person or displaced business may be eligible, the related eligibility requirements, and the procedures for obtaining such assistance. Displaced persons or displaced business members who are unable to understand the information shall be provided appropriate translation services where necessary.
4. Transportation will be provided, if necessary, for displaced persons or displaced business members to inspect replacement sites within their local areas. Specific assistance may also be provided to senior citizens in finding housing near friends, relatives, medical facilities, and convenient transportation.
5. All displaced persons or displaced businesses will receive assistance in completing applications for replacement housing or business premises, requesting relocation benefits, and obtaining services from other public agencies, if applicable.
6. Referrals to governmental and social service agencies will be made, if needed.

2. RELOCATION BENEFITS (FINANCIAL ASSISTANCE)

Specific eligibility requirements and benefit plans will be detailed individually with all displaced persons and displaced businesses. During personal interviews and follow-up visits, each displaced person will be counseled on available options and the consequences of any choice with respect to financial assistance.

1. Residential Relocation

2.1.1. *Moving Expenses.* To be eligible to receive payment for moving expenses, a resident must have legal occupancy as of the date of the AOC's initial written offer to acquire the property and must remain an occupant on the property until the time of displacement. A choice of two payment options for reasonable moving expenses is available to such qualified occupants:

2.1.1.1. *Fixed Payment.* A displaced person may receive a fixed payment allowance, based on the total number of rooms (excepting bathrooms) at the acquired site and whether the unit is furnished or unfurnished. No additional reimbursement for utility reconnection fees is available under this option. The

Adopted by the Judicial Council on December 14, 2010

claim will be paid by the AOC after the unit is vacated. Fixed payments¹ will be made according to the following schedule:

Occupant Owns Furniture

Number of Rooms	2	3	4	5	6	7	8
Payments	\$750	\$925	\$1,100	\$1,325	\$1,550	\$1,775	\$2,000

Occupant Does Not Own Furniture

Number of Rooms	First Room	Each Additional Room
Payment	\$375	\$60

2.1.1.2. *Actual Cost.* A displaced person may receive payment for the actual cost of a move. The displaced person must obtain at least two bids from qualified, licensed professional movers to pack, move, and unpack all personal property from the acquired site to the replacement site, not to exceed a distance of 50 miles. Payment will be based on the lowest bid and may be made either directly to the mover or as reimbursement to the displaced person on presentation of a paid invoice. The AOC will also reimburse the household for any one-time utility reconnection fees, such as telephone, gas, electricity, water, sewer, Internet, and cable.

2.1.2. *Replacement Housing Payments—Owner-Occupants.* A payment up to \$22,500 is available to assist a qualified homeowner-occupant in purchasing a suitable replacement dwelling. To qualify, an owner must have been living in the acquired dwelling for at least 180 days before the time the AOC first offered to purchase the house, and he or she must purchase and occupy a standard replacement dwelling within one year of the move date. This payment has three elements, which combined cannot exceed \$22,500. The exact amount each owner is entitled to must be computed individually on the following basis:

2.1.2.1. *Housing Differential Payment.* A displaced owner-occupant may receive the difference, if any, between the amount the AOC pays for his or her property and the average cost for a comparable replacement dwelling, or the difference, if any, between the amount the AOC pays for the displaced owner-occupant's property and the actual amount the displaced owner-occupant pays for the replacement dwelling, whichever is less.

2.1.2.2. *Interest Differential Payment.* If a displaced owner-occupant has an existing mortgage on his or her home and must finance a replacement dwelling,

¹ Fixed payment amounts will be updated in accordance with current statute.

the displaced owner-occupant may receive an amount to compensate for a loss of favorable financing.

2.1.2.3. *Incidental Expenses.* The displaced owner-occupant will be reimbursed for actual nonrecurring closing costs incurred in purchasing a replacement dwelling, including such items as title search, title insurance, escrow fees, credit reports, appraisal fees, termite inspection fees, loan application fees, and notary and recording fees.

2.1.2.4. *Replacement Rental.* A displaced owner-occupant who chooses to rent a replacement dwelling instead of purchasing is entitled to the difference, if any, between the economic rent of the acquired dwelling and the actual rent paid for the comparable, replacement dwelling for a period of 42 months.

2.1.3. ***Replacement Housing Payments—Tenants.*** A payment of up to \$5,250 is available to assist displaced tenants in either renting or purchasing a replacement dwelling. To be eligible, a tenant must have been living in the AOC-acquired dwelling for at least 90 days before the time the AOC first offered to purchase the property, and he or she must occupy a decent, safe, and sanitary replacement dwelling within 1 year after moving.

2.1.3.1. *Tenants Who Rent.* A tenant who rents another dwelling is entitled to the lesser of (i) the difference, if any, over a period of 42 months, between the monthly rental rate for the AOC-acquired property and the average cost for a comparable rental; or (ii) the difference, if any, over a period of 42 months, between the monthly rental rate for the acquired property and the actual rent paid for the replacement unit. The payment will be made in a lump sum.

2.1.3.2. *Tenants Who Purchase.* If a tenant elects to buy a replacement dwelling instead of renting, he or she may use his or her entitlement for a down payment and/or nonrecurring closing costs. The payment will be deposited directly into an escrow account.

2.1.4. ***Last Resort Housing.*** Comparable replacement housing must be within the financial means of the displaced owner or tenant. If the total value of the assistance needed to provide comparable replacement housing to a displaced owner or tenant exceeds the \$22,500 and \$5,250 monetary limits set forth above, the AOC must either cease work on the project or provide the additional assistance needed to allow the displaced tenants and owners to obtain replacement housing.

2. Business and Governmental Agency/Entity Relocation

2.2.1. *Moving Expenses*

2.2.1.1. *Basic Requirements.* Each displaced business will receive complete moving service to a new location and can choose from having a commercial move or conducting a self-move. The displaced business will be required to obtain a minimum of two competitive bids from qualified, licensed professional movers. The AOC will make direct payment to the professional mover with the lowest bid, or for self-moves, payment will be made to the displaced business in an amount equal to the lowest bid.

2.2.1.2. *Notices to the AOC.* A minimum of 30 days before the move, the displaced business must provide to the AOC a written inventory listing personal property—used in the business—that will need to be moved. At least 15 days before moving, the displaced business must provide the AOC with written notice of the date of the move and the type of move requested (commercial move or self-move). Relocation advisors must be allowed to make reasonable and timely inspections of the personal property at both the displacement and replacement sites, and to monitor the move.

2.2.1.3. *Permitted Expenses.* Following is a list of expenses that are generally covered:

1. Transportation of personal property from the acquired site to a replacement site (limited to a distance of 50 miles)
2. Packing, crating, unpacking, and uncrating of personal property to be moved
3. Removal and reinstallation of appliances, machinery, and equipment, including utility connection charges
4. Relettering of trucks, signs, and similar items, such as reprinting of business cards and stationery made obsolete by the move
5. Insurance of property in connection with the move, and reasonable replacement of property lost or damaged, where insurance is unavailable
6. Storage of property for a period generally not to exceed 12 months, when the AOC necessitates it
7. Any reapplication fee for a professional license, permit, or certification required by a displaced business for the replacement location
8. Other moving and related expenditures that the AOC determines are reasonable

2.2.1.4. *Excluded Expenses.* Following is a list of items ineligible in a moving expense claim:

1. Additional expenses incurred because of operating in a new location, except as permitted under section 2.2.4, below
2. Interest on loans to cover moving expenses
3. Loss of business goodwill or loss of profits
4. Loss of trained employees
5. Personal injury
6. Preparation of claims for moving and related expenses
7. Other items the AOC determines are not reasonable and necessary

2.2.2. *Payments Related to Personal Property Not Moved*

2.2.2.1. *Loss of Personal Property.* A displaced business may receive a payment for actual direct loss of tangible personal property that is not relocated. Payment is based on the value of the property minus any proceeds from the sale of the item, or the cost to move the item, whichever is less. Appropriate documentation to support a claim—such as reasonable advertising costs, auction records, or other supporting evidence—is necessary.

2.2.2.2. *Replacement of Personal Property.* A displaced business may receive a payment for personal property that is not relocated but, rather, is replaced with substitute equipment at the replacement site. Payment is based on the cost of the substitute item minus proceeds from the sale of the replaced item, or the cost to move the replaced item, whichever is less. Appropriate documentation to support a claim—such as proof of cost of substitute item installed, reasonable advertising costs, auction records, receipts from sale proceeds, or other supporting evidence—is necessary.

2.2.2.3. *Abandoned Personal Property.* When personal property is abandoned with no effort made by the displaced business to dispose of such property, the displaced business is not entitled to claim moving expenses or losses from the abandoned item.

2.2.3. ***Search Costs for a Replacement Location.*** A displaced business may file for reimbursement of costs to search for a replacement location, not to exceed \$1,000. Such a claim must be supported by accurate records of dates, times, locations, expenses, receipts, diaries, and similar evidence, and may include the following expenses:

1. Transportation within a radius of 50 miles from the city-limit boundaries
2. Meals and lodging while away from home, when receipts are presented as documentation

3. Reasonable time spent on searching, based on the individual's average hourly wage rate
4. Reasonable fees paid to real estate agents or brokers to locate the replacement site, excluding any fees or commissions related to the purchase of replacement site

2.2.4. ***Reestablishment Costs for a Business.*** A displaced business may file for reimbursement of actual and reasonable costs necessary to relocate and reestablish a business at its new site, not to exceed \$10,000. Such a claim must be supported by accurate records of dates, times, expenses, fees, receipts, and similar evidence, and may include the following expenses:

1. Repairs, improvements, or modifications to the replacement site, as required by law, code, or ordinance
2. Construction and installation costs for exterior signage to advertise the business
3. Provision of utilities from right-of-way to improvements at replacement site
4. Advertisement of replacement location
5. Licenses, fees, and permits, when not paid as part of moving expenses
6. Estimated increased costs of operation during the first two years at the replacement site

2.2.5. ***Fixed Payment In Lieu of Actual Moving and Related Expenses.*** Instead of receiving payment for actual reasonable moving and related expenses, a displaced business may elect to receive a fixed payment computed on the basis of the average annual net earnings of the displaced business for the two years immediately preceding displacement. The in-lieu payment shall be between \$1,000 and \$20,000. To be eligible to receive an in-lieu payment, the AOC must determine the following:

1. That the business cannot be relocated without a substantial loss of existing patronage. The term *existing patronage* includes membership, persons, community, and clientele served or affected by the activities of the business
2. That the business is not part of a commercial enterprise, having no more than three other establishments that are not being acquired for the project and that are engaged in the same or similar activity
3. That the business is not operated solely for the purpose of renting the site to others
4. That during the two taxable years before displacement, the displaced business must have:
 - a. Had average annual gross receipts of at least \$5,000
 - b. Had average annual net earnings of at least \$1,000, or
 - c. Contributed to at least one-third of the average gross income of the owner of the displaced business

Adopted by the Judicial Council on December 14, 2010

To establish average annual net earnings, the displaced business must submit certified copies of income tax returns for two years immediately preceding the taxable year in which the business is displaced.

3. AUTHORITY TO MAKE OTHER RELOCATION PAYMENTS

As permitted by both the Relocation Assistance Act and the Relocation Assistance and Real Property Acquisition Guidelines, the Administrative Director of the Courts is authorized to approve additional assistance and payments consistent with section 7272.3 of the act and section 6002(d) of the guidelines. Any such additional assistance and payments shall be based on the specific circumstances of the persons, businesses, or governmental agencies or entities to be displaced (the size of existing property or building being vacated, etc.). Examples of additional payments might include the moving costs for a residence to a new location in excess of 50 miles from the existing site (section 2.1.1.2) or payment for tenant improvements at the displaced business's new location in excess of the \$10,000 (section 2.2.4.1). Any additional assistance and payments will be based on AOC staff analysis of documentation from the displaced person or business. AOC staff will make a recommendation to the Administrative Director of the Courts for approval on an individual, project-specific basis.

4. RELOCATION BENEFITS—PROCEDURES

Claims and supporting documentation for relocation benefits must be filed with the AOC within one year of the date (i) the claimant moves from the AOC-acquired property or (ii) the AOC makes final payment for the acquisition of the real property, whichever is later. The procedure for the preparation and filing of claims and the processing and delivery of payments follows:

1. Potential displaced persons and businesses will be required to provide all necessary documentation to substantiate eligibility for assistance.
2. Assistance amounts will be determined in accordance with the provisions of the act and the guidelines.
3. The AOC will review and approve claims for payment or request additional information.
4. The AOC will issue benefit checks, which will be available at the AOC's offices for disbursement to displaced persons and businesses, unless circumstances dictate otherwise.
5. Final payments will be issued after confirmation that the project premises are completely vacant and actual residency at the replacement unit is verified.
6. Receipts of payment will be obtained and maintained in the relocation case file.

The background of the slide features a large, faint, circular seal of the Judicial Council of California. The seal contains the text "JUDICIAL COUNCIL OF CALIFORNIA" around the perimeter, "EUREKA" at the top, and "1926" at the bottom. The central image of the seal depicts a figure holding a scale, with various symbols of justice and law around them.

Revision of Relocation Policy

Court Facilities Advisory Committee

April 16, 2019

Background

- State law requires public entities to **provide relocation assistance and financial payments** to persons and businesses displaced as a direct result of the acquisition of property for a public project.
 - Cal. Gov. Code § 7260 et seq. (“Act”)
 - Cal. Code of Regs., tit. 25, § 6000 et seq. (“Guidelines”)



Background (cont.)

- *Rules and Regulations for Relocation Payments and Assistance on Judicial Branch Capital-Outlay Projects* (“Relocation Policy”)
- Originally adopted by the Judicial Council in December 2010.
- Pegasus Audit recommended updates to strengthen the relocation procedures.



Revisions to Relocation Policy

- Organizational Restructuring
- Pegasus Audit Recommendations
- Compliance with State Law
- More Practical, User-Friendly



Revisions (cont.)

- **ORGANIZATIONAL RESTRUCTURING**
 - Updated original Relocation Policy's outdated references (i.e., to AOC, OCCM, etc.).
 - Provided for future changes to office and title names.



Revisions (cont.)

- **PEGASUS AUDIT RECOMMENDATIONS**

- Specified which staff are accountable for implementation of the Relocation Policy (see, e.g., §§ 1.1.1, 4.1).
- Elaborated further on “relocation case file” for records retention (see § 4.1.12).



Revisions (cont.)

- **COMPLIANCE WITH STATE LAW**

- Strengthened provisions to more closely align with the language of the Act and Guidelines.
- Clarified that the Act and Guidelines prevail if there are any conflicts with the Relocation Policy.
- Inserted additional provisions also addressed in the Act and/or Guidelines (i.e., Grievance Procedures in § 4.2, etc.).



Revisions to Relocation Policy

- **MORE PRACTICAL, USER-FRIENDLY**
 - Included more detail to better help guide implementation.
 - Addressed lessons learned by staff.
 - General clean-up.



Conclusion

- Requesting **CFAC approval** of revised Relocation Policy.
- Draft to be taken to Judicial Council for **final adoption** at upcoming meeting.
- **Questions???**

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