



Rules and Regulations for Relocation Payments and Assistance for Judicial Branch Capital-Outlay Projects

December 14, 2010



Judicial Council of California

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

The Judicial Council of California 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 is given authority, on recommendation by Judicial Council staff, to approve the selection of, negotiate terms for, and acquire sites for new court facilities. The Judicial Council 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 Judicial Council's acquisition of such properties.

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 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 Judicial Council under section 7267.8 of the act and section 6006 of the guidelines.

1. RELOCATION ADVISORY ASSISTANCE

As a function of the Judicial Council's relocation program, technical and advisory assistance will be provided by the Judicial Council 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 Judicial Council's acquisition of a particular property (project). The Judicial Council 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 a Judicial Council 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,

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 Judicial Council 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 Judicial Council'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

claim will be paid by the Judicial Council 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 Judicial Council 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 Judicial Council 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 Judicial Council pays for his or her property and the average cost for a comparable replacement dwelling, or the difference, if any, between the amount the Judicial Council 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 Judicial Council-acquired dwelling for at least 90 days before the time the Judicial Council 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 Judicial Council-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 Judicial Council 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 Judicial Council 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 Judicial Council.* A minimum of 30 days before the move, the displaced business must provide to the Judicial Council 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 Judicial Council 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 Judicial Council 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 Judicial Council 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 Judicial Council 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 Judicial Council 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

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 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 Judicial Council staff analysis of documentation from the displaced person or business. Judicial Council staff will make a recommendation to the Administrative Director for approval on an individual, project-specific basis.

4. RELOCATION BENEFITS—PROCEDURES

Claims and supporting documentation for relocation benefits must be filed with the Judicial Council within one year of the date (i) the claimant moves from the Judicial Council-acquired property or (ii) the Judicial Council 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 Judicial Council will review and approve claims for payment or request additional information.
4. The Judicial Council will issue benefit checks, which will be available at the Judicial Council'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.

REFERENCED GOVERNMENT CODES AND REGULATIONS

California Government Code Section 7267.8

(a) All public entities shall adopt rules and regulations to implement payments and to administer relocation assistance under this chapter. These rules and regulations shall be in accordance with the rules and regulations adopted by the Department of Housing and Community Development.

(b) Notwithstanding subdivision (a), with respect to a federally funded project, a public entity shall make relocation assistance payments and provide relocation advisory assistance as required under federal law.

California Government Code Section 7272.3

It is the intent of the Legislature, by this chapter, to establish minimum requirements for relocation assistance payments by public entities. This chapter shall not be construed to limit any other authority which a public entity may have to make other relocation assistance payments, or to make any relocation assistance payment in an amount which exceeds the maximum amount for such payment authorized by this chapter.

Any public entity may, also, make any other relocation assistance payment, or may make any relocation assistance payment in an amount which exceeds the maximum amount for such payment authorized by this chapter, if the making of such payment, or the payment in such amount, is required under federal law to secure federal funds.

California Code of Regulations Title 25, § 6002

Title 25. Housing and Community Development

Division 1. Housing and Community Development

Chapter 6. Department of Housing and Community Development Programs

Subchapter 1. Relocation Assistance and Real Property Acquisition Guidelines

Article 1. General

➡§ 6002. Statement of Purpose and Policy.

(a) The purpose of the Guidelines is to assist public entities in the development of regulations and procedures implementing the Act.

(b) The Guidelines are designed to carry out the following policies of the Act:

(1) To ensure that uniform, fair and equitable treatment is afforded persons displaced from their homes, businesses or farms as a result of the actions of a public entity in order that such persons shall not suffer disproportionate injury as a result of action taken for the benefit of the public as a whole; and

(2) In the acquisition of real property by a public entity, to ensure consistent and fair treatment for owners of real property to be acquired, to encourage and expedite acquisition by agreement with owners of such property in order to avoid litigation and relieve congestion in courts, and to promote confidence in public land acquisition.

(c) A public entity shall not participate in or undertake a project that will displace individuals from their homes unless comparable replacement dwellings (see subsection 6008(c)) will be available within a reasonable period of time prior to displacement.

(d) The Guidelines are intended to establish only minimum requirements for relocation assistance and payments. They shall not be construed to limit any other authority or obligation which a public entity may have to provide additional assistance and payments.

(e) The Act and the Guidelines are intended for the benefit of displaced persons, to ensure that such persons receive fair and equitable treatment and do not suffer disproportionate injuries as the result of programs designed for the benefit of the public as a whole. The Act, Guidelines and all applicable regulations on which determinations are based shall be construed to effect this intent.