



March 22, 2013

The Honorable Adam C. Gray, Chair
Joint Legislative Audit Committee
California State Assembly
State Capitol, Room 6012
Sacramento, CA 95814

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Chief Executive Officer

The Honorable Ricardo Lara, Vice Chair
Joint Legislative Audit Committee
California State Senate
State Capitol, Room 5050
Sacramento, CA 95814

Dear Assembly Member Gray and Senator Lara:

During the Joint Legislative Audit Committee hearing on March 13, 2013, the committee expressed interest in the California High-Speed Rail Authority's (Authority) right-of-way process and the steps the Authority must take to acquire real property.

Under current law, the Authority's right-of-way process is subject to the statutory requirements of the Property Acquisition Law, in addition to the California Eminent Domain law and the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act.

The enclosed document, prepared at the request of the Committee, is intended to provide greater insight into the Authority's right-of-way acquisition process.

If you have additional questions, please contact Matt Robinson, Deputy Director of Legislation, at matthew.robinson@hsr.ca.gov or 916-324-1541.

Sincerely,

A handwritten signature in blue ink that reads "Jeff Morales".

JEFF MORALES
Chief Executive Officer

JERRY BROWN
GOVERNOR





CALIFORNIA High-Speed Rail Authority

Overview of the High-Speed Rail Authority's Acquisition Process

The California High-Speed Rail Authority (Authority) is required to follow the statutory requirements of the Property Acquisition Law (Government Code §15850-15866), the California Eminent Domain Law (Code of Civil Procedure section 1230.010 et seq) and the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. §§ 4622-4625). Through the joint efforts of the Authority, the Department of General Services (DGS), the Department of Finance (DOF) and the State Public Works Board (PWB), the following process has been streamlined to accommodate the size of the project while fully complying with all statutory and regulatory requirements on the state and federal level. The process can be divided into four main sections: **Environmental Approval, Appraisal Process, Public Works Board Acquisition Approval and Resolutions of Necessity.**

Environmental Approval

The Authority, along with its federal partner, the Federal Railroad Administration (FRA), is required to undertake California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) compliance for the high-speed rail project (project) before formally selecting the alignment for a project section. The selection of an alignment defines the footprint of the proposed route and is used as the basis for development of the right-of-way acquisition plan and site selection submitted to the PWB. This process requires coordination and approval from numerous state and federal agencies and involves community meetings and outreach with public notice and comment periods, and numerous hearings spanning several years.

Before the site selection plan is submitted to the PWB, the Authority, in accordance with CEQA and NEPA, completes and certifies both a Program level and Project level Environmental Impact Report/Environmental Impact Statement (EIR/EIS). For the Merced to Fresno project section, the Authority Board of Directors designated the preferred alternative in December 2011. Subsequently, the Board of Directors approved the CEQA Notice of Determination (NOD) on May 3, 2012 and it was subsequently filed with the State Clearinghouse. The 30-day statutes of limitations period expired on June 2, 2012. For NEPA, the FRA released a Record of Decision (ROD) on September 18, 2012. These actions authorized the Authority to begin negotiations with the impacted land owners along the alignment.

Appraisal Process

The appraisal process is a preliminary right-of-way activity that may begin prior to approval of the NOD/ROD, but after the designation of the preferred alternative. Prior to beginning the process, boundary surveys are completed for each of the impacted parcels along the preferred alignment based on preliminary design, then appraisal maps are prepared designating the area to be appraised. A Notice of Decision to Appraise letter, property map, and informational material is mailed to each property owner to initiate the appraisal process.

The appraisal process began in early 2012 for parcels within the Merced to Fresno segment preferred alignment which extends approximately 24 miles from Avenue 17 east of the City of Madera to Santa Clara Street in the City of Fresno.

For each parcel, an individual appraisal is completed by a qualified consultant appraiser. The appraisal is then subject to a review process by a qualified consultant review appraiser. Both the appraisal and the appraisal review must be performed in accordance with the requirements of the Uniform Act. The Authority completes a third level review of the appraisal before submitting it to DGS, which completes a fourth level of review, approves the appraisal, and sets the just compensation amount based on the fair market value.

Public Works Board Acquisition Approval

On January 14, 2013, the PWB approved the site selection of 356 parcels to be acquired in order to commence construction. This step is required in accordance with the Property Acquisition Law/State Administrative Manual prior to acquiring property.