



CALIFORNIA High-Speed Rail Authority

*Your Rights and Benefits as a Displacee Under
the Uniform Relocation Assistance Program
(Business, Farm or Nonprofit Organization)*

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INTRODUCTION

In building any large, modern transportation project, the displacement of a small percentage of the population is often necessary. However, it is the policy of the California High-Speed Rail Authority (Authority) that displaced persons shall not suffer unnecessarily as a result of a program, like the High-Speed Rail Project (Project), that is designed to benefit the public as a whole.

Businesses, farms, and nonprofit organizations displaced by the Project may be eligible for relocation advisory services and payments.

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

UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970 AS AMENDED, "THE UNIFORM ACT"

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

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

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

While every effort has been made to assure the accuracy of this brochure, you must understand that it does not have the force and effect of law, rule, or regulation governing the payment of benefits. In the event of any difference between a statement in this brochure and any provision of law, rule or regulation, the latter will be followed.

Relocation Services

The California-High Speed Rail Authority has two programs to aid businesses, farms and nonprofit organizations which must relocate.

These are:

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

Note: A payment for loss of goodwill is considered an acquisition cost. California law and the federal regulations mandate that relocation payments cannot duplicate other payments such as loss of goodwill. You will **not** be eligible to receive any relocation payments until the State has actually made the first written offer to purchase the property. You will also receive at least 90 days' written notice before you must move.

SOME IMPORTANT DEFINITIONS

You will be able to understand your relocation benefits better if you become familiar with the following terms:

Business is any lawful activity, except a farm operation (see definition on following page), that is conducted primarily for the purchase, sale, lease and/or rental of personal and/or real property, and/or for the manufacture, processing, and/or marketing of products, commodities, and/or any other personal property, or primarily for the sale of services to the public, or primarily for outdoor advertising display purposes when the display must be moved as a result of the project, or by a nonprofit organization that has established its nonprofit status under applicable federal or state law.

Displaced Person or Displacee is any person who moves from real property or moves personal property from real property as a result of the acquisition of the real property, in whole or in part, or as the result of a written notice from the agency of its intent to acquire the real property needed for this transportation project. In the case of a partial acquisition, the Authority shall determine if a person is displaced as a direct result of the acquisition.

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

Contributes Materially means that during the two taxable years before the taxable year in which displacement occurs, a business or farm operation must have had average annual gross receipts of at least \$5,000 or average annual net earnings of at least \$1,000, or their income must have contributed at least 33 1/3 percent of the owner's or operator's average annual gross income from all sources, in order to qualify as a bona-fide operation.

Farm Operation is any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

Nonprofit Organization is a public or private entity that has established its nonprofit status under applicable law and is exempt from paying federal income taxes.

MOVING EXPENSES

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

You Can Choose Either:

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

- Transportation
- Packing and unpacking of personal property
- Disconnecting and reconnecting personal property related to the operation
- Temporary storage of personal property

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

OR

Self-Move Agreement. You may be paid to move your own personal property based on the lower of two acceptable bids obtained by the Authority. Under this option, you will still be eligible for reimbursement of related expenses listed above that were not included in the bids.

OR

In-Lieu Payment. You can accept a fixed payment between \$1,000 and \$20,000, based on your annual earnings **in lieu of**, that is, **in place of** the moving cost, related expenses and reestablishment cost.

Actual Reasonable Moving Costs:

You may be paid the actual reasonable and necessary costs of your move when a professional mover performs the move. All of your moving costs must be supported by paid receipts or other evidence of expenses incurred. In addition to the transportation costs of your personal property, certain other expenses may also be reimbursable, such as packing, crating, unpacking and uncrating, and the disconnecting, dismantling, removing, reassembling, and reinstalling of relocated machinery, equipment, and other personal property.

Other expenses such as professional services necessary for planning and carrying out the move, temporary storage costs, and the cost of licenses, permits and certifications may also be reimbursable. This is not intended to be an all-inclusive list of moving related expenses. Your Relocation Agent can provide you with a complete explanation of reimbursable expenses.

Self-Move Agreement:

If you agree to take full responsibility for all or part of the move of your business, farm, or nonprofit organization, the Authority may approve a payment not to exceed the lower of two acceptable bids obtained by the Authority from qualified moving firms or a qualified Authority agent. A low-cost or uncomplicated move may be based on a single bid or estimate at the Authority's discretion. The advantage of this moving option is that it relieves the displaced business, farm or nonprofit organization operator from documenting all moving expenses. The Authority may make the payment without additional documentation as long as the payment is limited to the amount of the lowest acceptable bid or estimate. Other expenses, such as professional services for planning, storage costs, and the cost of licenses, permits, and certifications may also be reimbursable if determined to be necessary. These latter expenses must be pre-approved by the Relocation Agent.

Requirements:

Before you move, you must provide the Authority with the:

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

Related Expenses:

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

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

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

OR

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

EXAMPLE:

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

Fair market value of the document shredder based on its use at the current location	\$ 1,500
Proceeds: Price received from selling the document shredder	- \$ 500
Net Value	\$ 1,000

OR

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

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

3. Purchase of Substitute Personal Property. If an item of personal property, which is used as part of the business, farm, or nonprofit organization, is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, the displacee is entitled to payment of the **lesser of:**

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

OR

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

EXAMPLE:

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

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

OR

Estimated cost to move	\$ 550
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Based on the lesser of the above, the amount of the payment for Substitute Personal Property = **\$ 500**

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

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

OR

Estimated cost to move	\$ 200
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Based on the lesser of the above, the amount of the payment for Substitute Personal Property = **\$ 200**

Note: You are also entitled to all reasonable costs incurred in attempting to sell the copy machine and/or chairs.

4. Disconnecting and Reinstallation. You will be reimbursed for your actual and reasonable costs to disconnect, dismantle, remove, reassemble and reinstall any machinery, equipment or other personal property in relation to its move to the new location. This includes connection to utilities available nearby and any modifications to the personalty that are necessary to adapt it to the utilities at the replacement site.

5. Physical changes at the new location. You may be reimbursed for certain physical changes to the replacement property if the changes are necessary to permit the reinstallation of machinery or equipment necessary for the continued operation of the business.

Note: The changes cannot increase the value of the building for general purposes, nor can they increase the mechanical capability of the buildings beyond its normal requirements.

6. The cost of installing utilities from the right of way line to the structure(s) or improvements on the replacement site.

7. The reasonable cost of marketing studies, feasibility surveys and soil testing.

8. The reasonable cost of professional real estate services needed for the purchase or lease of a replacement site.

9. The amount of one-time assessments or impact fees for anticipated heavy utility usage.

REESTABLISHMENT EXPENSES

A small business, farm or nonprofit organization may be eligible for a payment, not to exceed \$10,000, for expenses actually incurred in relocating and reestablishing the enterprise at a replacement site.

Reestablishment expenses may include, but are not limited to, the following:

1. Repairs or improvements to the replacement real property required by federal, state or local laws, codes or ordinances.
2. Modifications to the replacement real property to make any structures suitable for the business operation.
3. Construction and installation of exterior signing to advertise the business.
4. Redecoration or replacement such as painting, wallpapering, paneling or carpeting when required by the condition of the replacement site or for aesthetic purposes.
5. Advertising the new business location.
6. The estimated increased costs of operation at the replacement site during the first two years, for items such as:
 - a) Lease or rental charges
 - b) Personal or real property taxes
 - c) Insurance premiums, and
 - d) Utility charges (excluding impact fees).
7. Other items that the Authority considers essential for the reestablishment of the business or farm.

Note: A nonprofit organization must substantiate that it cannot be relocated without a substantial loss of existing patronage (membership or clientele). The payment is based on the average of two years annual gross revenues less administrative expenses.

IN-LIEU PAYMENT (FIXED)

Business - Displaced businesses may be eligible for a fixed payment in lieu of (in place of) actual moving expenses, personal property losses, searching expenses, and reestablishment expenses. The fixed payment may not be less than \$1,000 or more than \$20,000.

For a business to be eligible for a fixed payment, the Authority must determine the following:

1. The business owns or rents personal property that must be moved due to the displacement.
2. The business cannot be relocated without a substantial loss of existing patronage.
3. The business is not part of a commercial enterprise having more than three other businesses engaged in the same or similar activity and which are under the same ownership and are not being displaced by the Authority.
4. The business contributed materially to the income of the displaced business operator during the two taxable years prior to displacement. Any business operation that is engaged solely in the rental of space to others is not eligible for a fixed payment. This includes the rental of space for residential or business purposes.

Farm Operation – Displaced farm operations may be eligible for a fixed payment in lieu of (in place of) actual moving expenses, personal property losses, searching expenses, and reestablishment expenses. The fixed payment may not be less than \$1,000 or more than \$20,000. In the case of a partial acquisition of land, which was a farm operation before the acquisition, the fixed payment shall be made only if the Authority determines that:

1. The acquisition of part of the land caused the operator to be displaced from the farm operation on the remaining land; or
2. The partial acquisition caused a substantial change in the nature of the farm operation.

Eligibility requirements for nonprofit organizations are slightly different from eligibility requirements for businesses and farm operations. If you represent a nonprofit organization that is being displaced and are interested in a fixed payment, please consult your Relocation Agent for additional information.

The Computation of Your In-Lieu Payment:

The fixed payment for a displaced business or farm is based upon the average annual net earnings of the operation for the two taxable years immediately preceding the taxable year in which it is displaced. The Authority may use a different two year period if it is determined that the last two taxable years do not accurately reflect the earnings of the operation.

EXAMPLE: The Authority acquires your property and you move in 2011:

2009 Annual Net Earnings	\$10,500
2010 Annual Net Earnings	<u>\$ 12,500</u>
TOTAL	\$ 23,000
Average over two years	\$ 11,500

This two-year average would be the amount of your in-lieu payment.

Remember: This payment is in place of all other moving benefits, including reestablishment expenses. You must provide the Authority with proof of net earnings to support your claim.

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

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

Before You Move:

- A. Request a determination of entitlement for in-lieu payment from your Relocation Agent.
- B. Include a written statement of the reasons the business cannot be relocated without a substantial loss in net earnings.
- C. Provide certified copies of tax returns for the two tax years immediately preceding the tax year in which you move. For example, if you move anytime in the year 2012, regardless of when negotiations began or the Authority took title to the property, the taxable years would be 2010 and 2011.
- D. You will be notified of the amount you are entitled to after the application is received and approved,
- E. You cannot receive the payment until after you vacate the property, AND submit a claim for the payment within 18 months of the date of your move.

RELOCATION ADVISORY ASSISTANCE

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

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

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

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

AND will provide information on:

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

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

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

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

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

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

YOUR RIGHTS AS A DISPLACED

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

- Social Security Eligibility
- Welfare Eligibility
- Income Taxes

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

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

And you always have the right to appeal any decision by the Authority regarding your relocation benefits and eligibility.

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

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

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

Reference: Uniform Relocation Assistance and Real Property Acquisition

Policies Act of 1970, as amended (42 U.S.C. sec. 4601, et seq.) (Uniform Act);

and Implementing Regulations (49 C.F.R. Part 24)