



Site "C" Project
DRAFT RELOCATION PLAN

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INTRODUCTION

The Garden Grove Agency for Community Development, a public body corporate and political and California community redevelopment agency ("Agency") has authorized the preparation of a relocation plan pursuant to the California Relocation Assistance Law ("Relocation Plan") to be undertaken in connection with the proposed assembly and acquisition of eight (8) parcels ("Properties") owned by third parties located on the northeast corner of Harbor Boulevard and Twintree Lane within the Community Project Area in the City of Garden Grove, California. These third party Properties are adjacent to certain property currently owned by the Agency, which together comprise a proposed development site consisting of approximately 5.18 acres depicted on the attached site map (referred to as "Site C").

At the date of this Relocation Plan, there is no approved development entitlement, agreement, or other commitment to develop Site C; however, the Agency is currently in negotiations with Land & Design, Inc., as a potential developer ("Developer") of a proposed development. Site C is zoned for hotel, restaurant and other similar commercial uses and proposed development plans may include the construction of an upscale select service hotel with a maximum of 700 rooms, 50,000 square feet of conference space, 15,000 square feet of restaurant space, a parking structure, a resort pool, and potentially up to two additional limited service hotels (together, "Project"). The anticipated timeframe for the Project would be to commence construction in summer or fall of 2012 and complete construction in summer or fall of 2014.

If the Project were to proceed to a disposition and development agreement or other contract for development of the Project based on continued negotiations among the representatives of the Agency and Developer and if such contract were to be approved then the terms thereof would include acquisition of the Properties, displacement of occupants, demolition of existing improvements, and conveyance of such assembled Site C to the Developer. If this occurs, then in connection therewith and as a condition precedent to such conveyance the Agency will cause to be provided to the occupants, six residential households and four businesses, thereon relocation assistance and benefits in compliance with the Relocation Law (defined below) and this Relocation Plan. The needs and characteristics of the displacee population, available relocation resources and the Agency's program to provide assistance to each affected person are general subjects of this Relocation Plan.

Funding for the Project would be sourced from the Agency's tax increment funds (non-housing). Overland, Pacific & Cutler, Inc. ("OPC"), an experienced relocation and acquisition firm, has been selected to prepare this Relocation Plan and to administer providing all subsequent required relocation advisory assistance and causing payment of relocation benefits. In compliance with the Relocation Law, this Relocation Plan has been prepared to evaluate the present circumstances and replacement requirements of potential Project displacees and, further, has been prepared in accordance with the requirements of the California Relocation Assistance Law, Government Code Section 7260, *et seq.* ("CRAL"), the Relocation Assistance and Real Property Acquisition Guidelines adopted by the Department of Housing and Community Development ("HCD") set forth at Title 25, California Code of Regulations Section 6000, *et seq.* ("Guidelines"). Together, the CRAL and Guidelines are referred to as "Relocation Law".

This Relocation Plan is organized in five sections:

1. Project description (**SECTION I**);
2. Assessment of the relocation needs of the residential households and businesses subject to displacement (**SECTION II**);
3. Assessment of available comparable replacement housing and comparable commercial sites within the City of Garden Grove and surrounding communities (**SECTION III**);
4. Description of the Agency’s Relocation Program (**SECTION IV**);
5. Description of the Agency’s outreach efforts, Project timeline and budget (**SECTION V**).

I. PROJECT DESCRIPTION

A. REGIONAL LOCATION

The Project is located in the City of Garden Grove within Orange County. Garden Grove is located in the northwestern section of Orange County, approximately 25 miles south of downtown Los Angeles and is immediately accessible from State Routes 22 and 39 and Interstate Freeways 5 and 405. Adjacent communities include Stanton, Westminster, Santa Ana, Anaheim, Cypress and Los Alamitos. (See Figure 1: Regional Project Location)

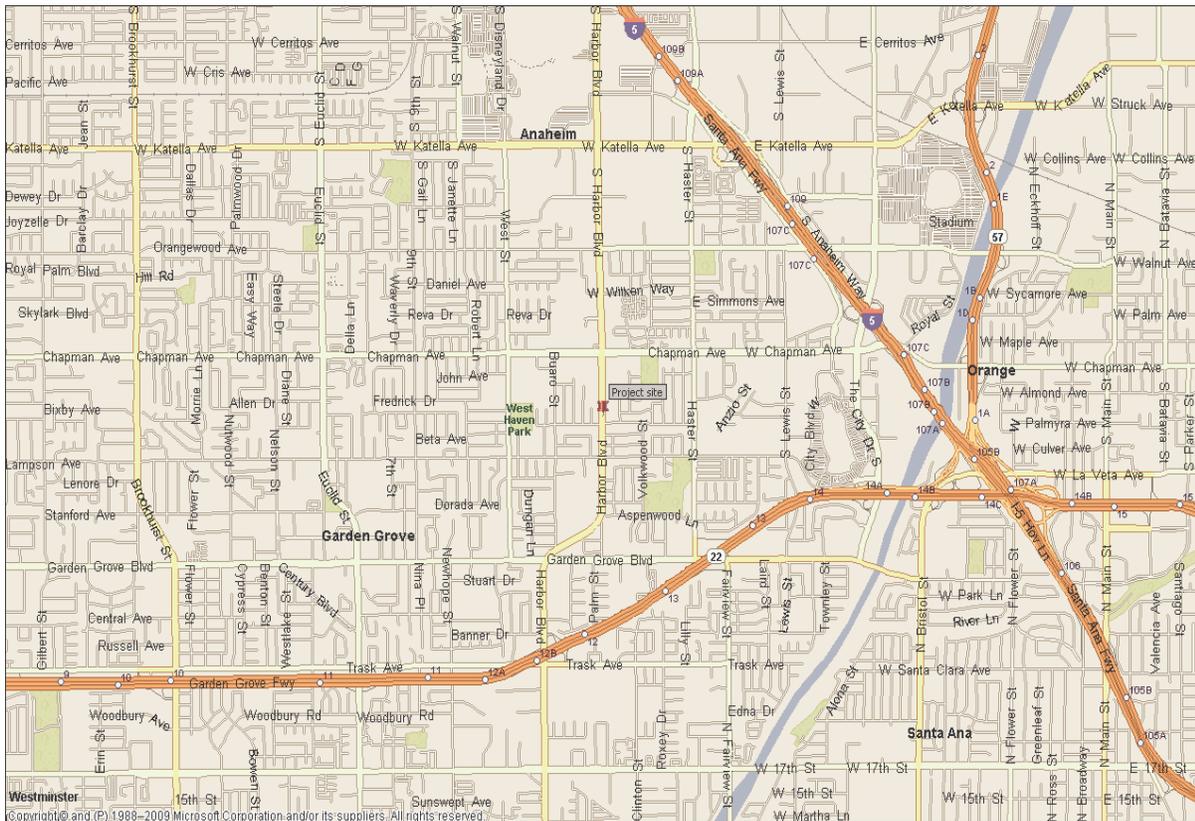


Figure 1: Regional Project Location

B. PROJECT SITE LOCATION AND DESCRIPTION

The total Project site is comprised of 14 parcels totaling 5.18 acres on Harbor Boulevard generally bordered by Choisser Road to the east, Twintree Lane to the south, Thackery Drive to the west and Chapman Avenue to the north. (See Figure 2: Project Site Location)

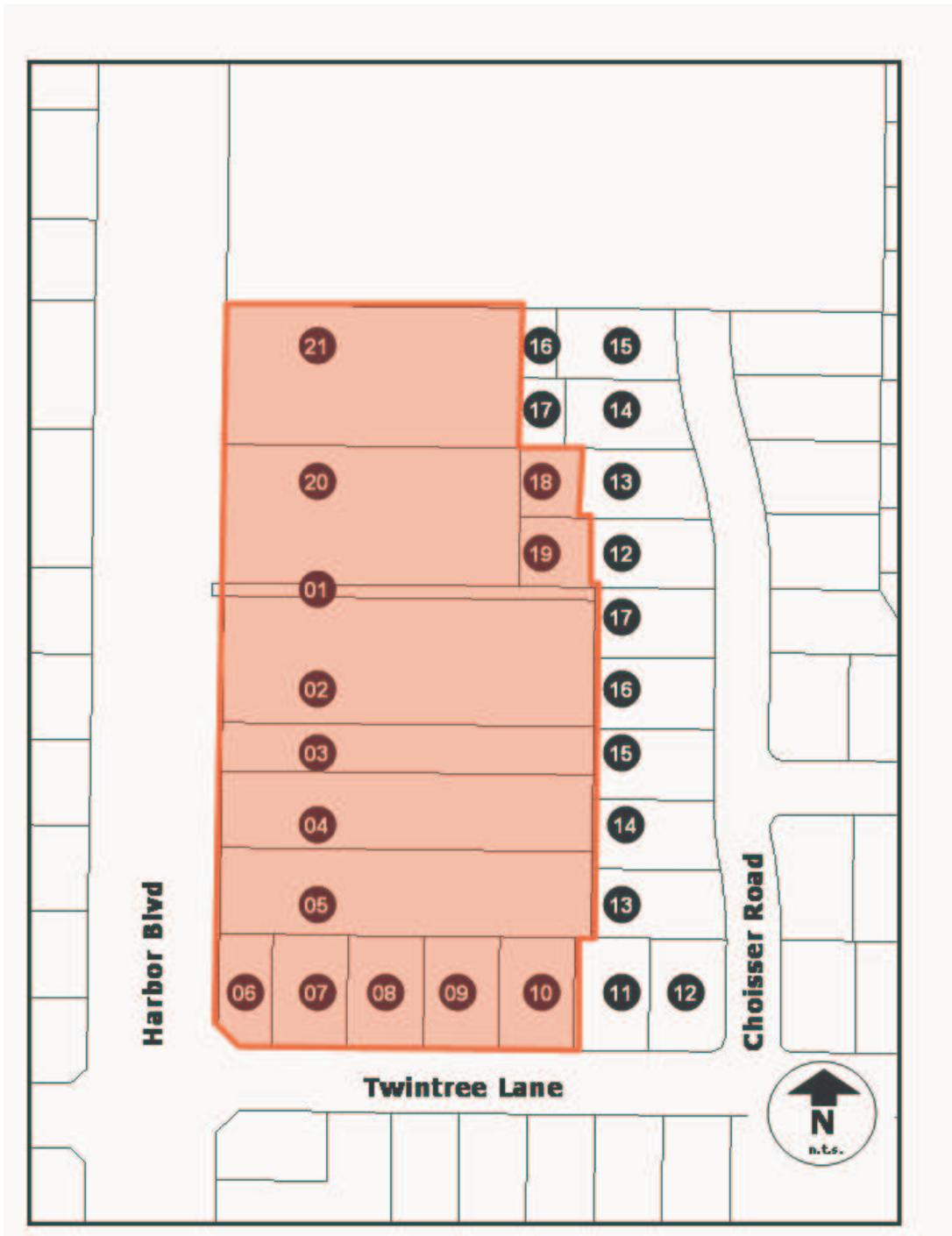


Figure 2: Project Site Location

C. GENERAL DEMOGRAPHIC AND HOUSING CHARACTERISTICS

According to the 2000 U.S. Census, the population of the City of Garden Grove is 165,196 and the population of the impacted Census Tract 884.03/Block 2000 is 750 (see **Table 1**). Corresponding Census data concerning the housing mix is shown in **Table 2**.

Population	Tract 884.03 2000	%	City	%
Total Population	750	100.0%	165,196	100.0%
White	331	44.1%	77,443	46.9%
Black or African American	6	0.8%	2,168	1.3%
American Indian or Alaska Native	3	0.4%	1,260	0.8%
Asian	104	13.9%	5,190	11.2%
Native Hawaiian or Other Pacific Islander	17	2.3%	1,081	0.7%
Some Other Race	263	35.1%	25,362	15.4%
Two or More Races	26	3.5%	6,804	4.1%
Hispanic or Latino (of Any Race)	384	51.2%	53,608	32.5%

Source: U.S. Census Bureau, QT-PL. Race, Hispanic or Latino, and Age: 2000

Type	Tract 884.03 2000	%	City	%
Total Occupied Units	197	100%	45,791	98.0%
Owner-Occupied	138	70.1%	27,286	59.6%
Renter-Occupied	59	29.9%	18,505	40.4%
Vacant Housing Units	10	0.8%	912	2.0%
Available for Sale Only (of Total Vacant Units)	0	0.0%	191	20.9%
Available for Rent – Full Time Occupancy (of Total Vacant Units)	4	40.0%	372	40.8%
Sold or Rented – Not Occupied	0	0.0%	78	8.6%
Otherwise Not Available (e.g. seasonal, recreational, migratory, occasional use)	3	30.0%	83	9.1%
Other Vacant	3	30%	188	20.6%

Source: U.S. Census Bureau, QT-H1. General Housing Characteristics: 2000

II. ASSESSMENT OF RELOCATION NEEDS

A. SURVEY METHOD

To obtain information necessary for the preparation of this Relocation Plan, personal interviews with the residents and business owners to be permanently displaced were conducted in March 2011. The interviewers were successful in interviewing four business occupants and five (of the six) residential households on the Project site. One residential household did not respond to a letter requesting an interview or to business cards with requests that were left on their door, and they were unavailable each time the interviewer attempted to contact them on site or via telephone. Limited information was given to OPC staff by neighbors regarding the un-contacted residents.

The data in this section of the Relocation Plan are based solely on the unconfirmed responses of the individuals who participated in the survey. However, budgetary projections were based on expected relocation costs associated with the relocation of all occupants of Site C for the Project.

Inquiries made of each residential occupant household concerned household size and composition, income, employment, location of employment, schools attended and location of such schools by the minor children, if any, in the household, rent, and mortgage payments, length of occupancy, ethnicity, home language, physical disabilities, and comparable replacement housing preferences. A sample of the residential interview form used in the interview process is presented as **Exhibit A** of this Relocation Plan.

B. FIELD SURVEY DATA

1. Current Residential Occupants

There are six residential households to be relocated for the Project. At the time of the interviews for the five households that responded, and based on information from neighbors regarding the sixth household, there are 14 adults and three children (17 years or younger) on-site to be permanently displaced.

Three tenant households occupy three-bedroom single-family dwellings, one tenant household occupies a two-bedroom single-family/duplex-type dwelling, and one tenant household occupies a recreational vehicle travel trailer. In addition, there is one owner-occupied household in a three-bedroom single-family residence. A commonly accepted housing quality standard for housing density allows two persons per bedroom and one person in the common living area. Based on this criterion and available tenant data, there are no overcrowded units among the Project households.

a. Comparable Replacement Housing Needs

Comparable replacement housing needs, as expressed in this Relocation Plan, are defined by the total number of required comparable replacement units and distribution of those units by bedroom size. The projected number of required units by bedroom size is calculated by comparing survey data for household size with typical comparable

replacement housing occupancy standards. These standards (two persons per bedroom plus one) therefore generally allow for up to three persons in a one-bedroom unit, five persons in a two-bedroom unit, seven persons in a three-bedroom unit and nine or more persons in a four-bedroom unit.

Comparable replacement housing units required for the residential occupants who may be displaced by the Project include: one two-bedroom low-density dwelling for rent, three three-bedroom single-family residences for rent, one three-bedroom single family-residence for purchase, and one space in an RV or mobile home park for the resident of the recreational vehicle travel trailer.

b. Income

Income information was provided by the five respondent households. According to income standards for the County of Orange (**Exhibit B**) adjusted for family size as published by the United States Department of Housing and Urban Development (HUD): two Project households qualify as Very Low (31% - 50% of median), two Project households qualify as Low income (51%-80% of median) and one Project household qualifies as Moderate income (81%-120% of median). The income of the sixth household is unknown.

c. Ethnicity/Language

Three of the six Project households reported their ethnicity as White, and three households reported Hispanic as their ethnicity. All but one household stated English as their primary language.

d. Senior/Handicapped Households

With the possible exception of the un-contacted household, there are no senior (62 years or older) or disabled households on the Project site.

e. Preferred Relocation Areas

Four of five respondent households expressed a preference to remain within the Garden Grove community in order to remain within a reasonable distance from their employment, schools, and medical facilities. One household was interested in Anaheim for less expensive rental opportunities.

2. Current Commercial Occupants

There are four non-residential entities (businesses) potentially affected by the Project. Survey information was obtained from all four business owners. Each of the business owners is leasing their premises.

The following information in **Table 3** reflects information gathered from personal interviews as well as observations made in the field.

TABLE 3: Business Uses					
Business Type	Move-in Date	Est. Sq. Footage	Monthly Rent	# of Empl	Relocation Preference
Nail salon	1999	1,500	\$1,650	3	Unknown
Legal services	1997	1,000	Unknown	1	Garden Grove
Retail – tobacco products	1999	1,000	\$1,550	1	Garden Grove
Food service	1999	1,000	\$3,000	12-20	Anaheim

III. RELOCATION RESOURCES

A. METHODOLOGY

A resource survey was conducted to identify available rental units beginning within a five-mile radius from the subject Properties and Project in Garden Grove and expanded to surrounding communities. The following sources were utilized:

- Classified rental listings from *For Rent* publications
- Internet sources, including the MLS and Loopnet
- HCD listing of California recreational vehicle travel trailer and mobile home parks by location

B. COMPARABLE REPLACEMENT HOUSING AVAILABILITY AND COMPARABLE REPLACEMENT COMMERCIAL SITE AVAILABILITY

1. Residential Rental Housing

The rental housing survey for comparable replacement housing considered single-family residences, low-density dwellings, RV parks and mobile home parks in Garden Grove and surrounding communities. This data is summarized in **Tables 4 & 5** below.

Bedroom Size	Two	Three
# Found (# Needed)	18 (1)	55 (3)
Rent Range	\$1,200-\$1,850	\$1,200-\$2,100
Median Rent	\$1,500	\$1,800

Available Site	Rent Range	Median Rent
RV/Mobile Home Park	\$550 - \$1,200	\$720

The median rent amounts shown in the table are among the figures used to make benefit and budget projections for the Relocation Plan. This amount is, naturally, subject to change according to the market rates prevailing at the time of displacement.

2. Residential Housing for Purchase

Real estate listings were obtained for single-family residences for sale in Garden Grove. Available comparable homes for sale were identified and are summarized in **Table 6** below.

TABLE 6: Availability and Cost of Replacement Housing for Purchase	
Bedroom Size	Three
# Found (# Needed)	32 (1)
Listing Price Range	\$249,000 - \$375,000
Median List Price	\$349,900

3. Commercial Space Availability

The availability of commercial sites in Garden Grove and surrounding communities was researched. **Table 7** below summarizes the availability of the commercial properties for lease.

TABLE 7: Summary of Available Commercial Sites for Lease			
Type of Property	Total Found	Price Range	Median Price
800 – 1,100 sq ft Office	18	\$.94 - \$1.70	\$1.35
800 – 1,600 sq ft Retail / Services	49	\$1.00 – \$3.55	\$1.75

4. Summary

Considering the above described availability of comparable replacement housing resources gathered for the Relocation Plan, it appears that there are more than adequate replacement resources for the residential occupants. But, while adequate replacement resources exist, based on surveyed results of rental opportunities, some tenant occupants will likely have increase in monthly rent. This possible increase, if any, will be met through the Agency’s obligation under the relocation regulations, including Last Resort Housing (LRH) requirements (See Section IV, D).

Regarding non-residential resources, the data collected presents a multitude of business sites that are currently available for lease. Therefore, it is believed adequate replacement sites for non-residential occupants exist.

C. RELATED ISSUES

1. Concurrent Residential Displacement

At this time, there are no other current public projects causing significant displacements underway in the City of Garden Grove or adjacent communities that would compete with the Project for needed comparable replacement housing resources. No residential displacee will be required to move without both 90 days written notice to vacate and access to available affordable decent, safe and sanitary comparable replacement housing. No commercial/business occupant will be required to move without 90 days written notice to vacate.

2. Temporary Housing

No need for temporary housing is anticipated.

IV THE RELOCATION PROGRAM

The Agency's Relocation Program is designed to minimize hardship, be responsive to unique project circumstances, emphasize maintaining personal contact with all affected individuals, consistently apply all regulatory criteria to formulate eligibility and benefit determinations and conform to all applicable requirements.

The Agency has retained OPC to administer this Relocation Plan and the Relocation Program, if and when implementation occurs. OPC has worked on more than 3,000 public acquisition and relocation projects over the past 30 years. Experienced Agency staff will monitor the performance of OPC and be responsible to approve or disapprove OPC recommendations concerning eligibility and benefit determinations and interpretations of the Agency's policy.

The Relocation Program consists of two principal constituents: Advisory Assistance and Financial Assistance/Payment of Benefits.

A. ADVISORY ASSISTANCE

Individuals who will need to move from existing residences or business sites will receive advisory assistance. Advisory assistance services are intended to:

- inform displacees about the Relocation Program
- help in the process of finding appropriate replacement accommodations
- facilitate claims processing
- maintain a communication link with the Agency
- coordinate the involvement of outside service providers.

To follow through on the advisory assistance component of the Relocation Program and assure that the Agency meets its obligations under the Relocation Law, OPC and Agency relocation staff will perform the following functions:

1. Distribute appropriate written information concerning the Agency's Relocation Program;
2. Inform eligible residential and business occupants of the nature of, and procedures for, obtaining available relocation assistance and benefits. (See **Exhibits D & E**)
3. Determine the needs of each residential and commercial displacee eligible for assistance;
4. Provide residential displacees with at least three referrals to comparable replacement housing within a reasonable time prior to displacement;
5. Maintain an updated database of available comparable replacement housing resources, and distribute referral information to displacees for the duration of the Relocation Program;
6. Provide transportation to residential displacees, if necessary, to inspect potential comparable replacement housing units within the local area;

7. Offer special assistance to help elderly or disabled tenants find housing near friends, relatives, medical facilities, and services and convenient transportation;
8. Supply information concerning federal and state programs and other governmental programs providing assistance to displaced persons;
9. Assist each eligible residential occupant and business in the preparation and submission of relocation assistance claims for payment of relocation benefits;
10. Provide additional relocation services reasonably necessary to successfully relocate eligible residents and businesses;
11. Make benefit determinations and payments in accordance with applicable Relocation Law and the Agency's adopted relocation guidelines;
12. Assure that no occupant is required to move without a minimum of 90 days written notice to vacate.
13. Inform all persons subject to displacement of the Agency's policies with regard to eviction and property management;
14. Establish and maintain a formal grievance procedure for use by displaced persons seeking administrative review of the Agency's decision with respect to relocation assistance; and,
15. Provide assistance that does not result in different or separate treatment due to race, color, religion, national origin, sex, marital status or other arbitrary circumstances.

B. RELOCATION BENEFITS – RESIDENTIAL OCCUPANTS

Specific eligibility requirements and benefit plans will be detailed on an individual basis with the displacee. In the course of personal interviews and follow-up visits, each displacee will be counseled as to available options and the consequences of any choice with respect to financial assistance.

Relocation benefits will be paid to eligible displacees upon submission of required claim forms and documentation in accordance with the Agency's administrative procedures. The Agency may process advance payment requests to mitigate hardships for residential occupants who do not have access to sufficient funds to initially secure comparable replacement housing such as paying an escrow deposit or first month's rent and security deposit. Approved requests will be processed expeditiously to help avoid the loss of desirable, appropriate comparable replacement housing.

1. Residential Moving Expense Payments

All residential occupants to be relocated will be eligible to receive a payment for moving expenses. Moving expense payments will be made based upon the actual cost of a professional move or a fixed payment based on a room-count schedule.

a. Actual Cost (Professional Move)

The displacee may elect to retain the services of a licensed professional mover, in which case the Agency will pay the actual cost of moving services, based on the lowest of three (3) acceptable bids. (The Agency may, at its discretion, solicit competitive bids to determine the lowest, reasonable move cost.) After the move is complete, the displacee may request a direct payment from the Agency to the mover.

b. Fixed Payment (based on Room Count Schedule)

The displacee may, while taking full responsibility for the move, elect to receive a fixed payment for moving expenses based on a room count in the displacement dwelling. The fixed payment is a one-time, all inclusive allowance that does not require back-up documentation. The current schedule for fixed payments is set forth in **Table 8**:

TABLE 8: Schedule of Fixed Moving Payments									
Unfurnished Dwelling									
Room count	1	2	3	4	5	6	7	8	Each additional
Amount	\$625	\$800	\$1,000	\$1,175	\$1,425	\$1,650	\$1,900	\$2,150	\$225
Furnished Dwelling									
Room count	1	each additional							
Amount	\$400	\$65							

Source: California Department of Transportation

One Project occupant only owns personal property contained within his recreational vehicle travel trailer that can be driven to the replacement site via his vehicle. Therefore, a fixed moving payment would only consist of a payment for mileage to the replacement site based on the current IRS mileage rate.

2. Rental Assistance to Tenants Who Choose to Rent

A tenant displaced from the park may be entitled to a Replacement Housing Payment in the form of rental or downpayment assistance not-to-exceed \$5,250 (prior to consideration of eligibility for Last Resort Housing benefits – see Last Resort Housing, Section IV, G), if the displacee:

1. Has actually and lawfully occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations; and
2. Has rented, or purchased, and occupied a decent, safe, and sanitary replacement dwelling or site within one year (unless the Agency extends this period for good cause) after the date he or she moves from the displacement dwelling.

Rental Assistance payment amounts are equal to 42 times the difference between the base monthly rent and the lesser of:

- (i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling or site; or
- (ii) The monthly rent and estimated average monthly cost of utilities for the decent, safe and sanitary replacement dwelling or site actually occupied by displaced person.

The base monthly rent for the displacement dwelling is the lesser of:

- (i) The average monthly cost for rent and utilities at the displacement dwelling or site 90 days prior to the offer on the property. For owner-occupants or households, which pay no rent, Fair Market Rent will be used as a substitute for actual rent; or
- (ii) Thirty percent (30%) of the displaced person's average, monthly, adjusted gross household income. If a displacee refuses to provide appropriate evidence of income or is a dependent, the base monthly rent shall be determined to be the average monthly cost for rent and utilities at the displacement dwelling; or
- (iii) The total of the amount designated for shelter and utilities if receiving a welfare assistance payment from a program that designated the amounts for shelter and utilities.

One tenant on the Project site resides in a recreational vehicle travel trailer they own and that is pulled by his vehicle. He pays for "space" rent on the site. Any eligible payments for rental assistance will be calculated based on the displacement *site* rent & utilities or 30% of gross household adjusted income, comparable *site* rent and utilities and replacement *site or dwelling* rent and utilities. (If the tenant chooses to move into a conventional dwelling, the replacement dwelling rent and utilities will be compared to the comparable *site* rent and utilities.)

Table 9 below illustrates the computation of a rental/downpayment assistance payment.

TABLE 9: Computation of Rental Assistance Payments (Tenants)		
1 Old Rent	\$650	Old Rent, plus Utility Allowance
or		
2. Ability to Pay	\$700	30% of the Adjusted Gross Household Income*
3. Lesser of lines 1 or 2	\$650	Base Monthly Rental
Subtract From:		
4. Actual New Rent	\$750	Actual New Rent including Utility Allowance
or		
5. Comparable Rent	\$775	Determined by Agency, includes Utility Allowance
6. Lesser of lines 4 or 5	\$750	
7. Yields Monthly Need	\$100	Subtract line 3 from line 6
8. Rental Assistance Payment	\$4,200	Multiply line 7 by 42 months

*Gross income means the total amount of annual income of a household less the following: (1) a deduction for each dependent in excess of three; (2) a deduction of 10% of total income for the elderly or disabled head of household; (3) a deduction for recurring extraordinary medical expenses defined for this purpose to mean medical expenses in excess of 3% of total income, where not compensated for, or covered by insurance or other sources; (4) a deduction of reasonable amounts paid for the care of children or sick or incapacitate family members when determined to be necessary to employment of head of household or spouse, except that the amount shall not exceed the amount of income received by the person who would not otherwise be able to seek employment in the absence of such care.

3. Downpayment Assistance to Tenants Who Choose to Purchase

Displaces otherwise eligible to receive a Rental Assistance payment as previously described, may choose to utilize the full amount of their rental assistance eligibility amount (including Last Resort benefit) to purchase a home. Such payments shall be deposited directly into an escrow account with provisions that allow the Agency to recover its funds should the escrow be cancelled or not proceed in a timely manner. These funds can be used as a downpayment and/or to pay for eligible non-recurring closing costs.

4. Payment to Non-Tenured Residential Tenants

A residential tenant who has actually and lawfully occupied the displacement dwelling for less than 90 days immediately prior to the initiation of negotiations is entitled to receive a moving expense payment. Additionally, non-tenured residential tenants may qualify for a rental assistance payment under the provisions of Last Resort Housing assistance (see Last Resort Housing, Section IV, G). Such assistance is authorized when comparable replacement housing is not available at rental rates within the tenant's financial means (30% of gross monthly household income). Last Resort Housing assistance to non-tenured households is based solely on income.

5. Replacement Housing Assistance for Homeowners

Homeowners displaced by this Project will be eligible for relocation comparable replacement housing payments, if the following conditions are met:

- (a) The household has owned and occupied their unit for not less than 180 days prior to the Initiation of Negotiations, and
- (b) The household purchases and occupies a replacement unit within one year from:
 - (i) the date that the household receives the final payment from the displacing entity for all the costs of the acquired unit - **or** -
 - (ii) the date that the household vacates the acquired unit, whichever is later.

Displaced homeowner households will receive assistance in locating a "comparable replacement" unit and will be eligible for the following benefits, not-to-exceed \$22,500:

1. Purchase Price Differential:

The displaced owner households will be entitled to receive an amount equal to the difference between the price paid for the acquired unit and the amount required to purchase a "comparable replacement" unit. The displacing entity is allowed the following options in paying any price differential as explained in section 6102 of the Guidelines:

- (a) Comparative Method: On a case-by-case basis, the displacing entity will determine the price of a "comparable replacement" unit, which is most representative of the acquired unit, by selecting and considering the listing price of at least three (whenever possible) "comparable replacement" units.
- (b) Schedule Method: The displacing entity may establish a schedule of reasonable acquisition costs of "comparable replacement" units based on a current analysis of the housing market.
- (c) Alternate Method: When neither the Comparative nor Schedule methods are feasible, the displacing entity may use another reasonable method.

2. Other Payments:

Moreover, displaced homeowners will receive the following assistance:

- (a) Payments to cover the cost between the difference of the household's current debt or mortgage service and any increase in debt or mortgage costs necessary to acquire a "comparable replacement" housing unit; and
- (b) Incidental and reasonable one-time costs for acquiring a replacement unit, such as escrow costs, and recurring and credit reporting fees.

6. Rental Assistance to Owner-Occupants Who Choose to Rent

An owner displaced from a dwelling may be entitled to a Replacement Housing Payment in the form of rental or downpayment assistance not-to-exceed \$5,250 (prior to consideration of eligibility for Last Resort Housing benefits – see Last Resort Housing, Section IV, G), if the displacee:

- a. Has actually and lawfully occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations; and
- b. Has rented, or purchased, and occupied a decent, safe, and sanitary replacement dwelling within one year (unless the Agency extends this period for good cause) after the date he or she moves from the displacement dwelling.

A rental assistance payment will be calculated per the method described in IV, B, 2. However, such comparable replacement housing payments may not exceed the payments for which the household would have been entitled, if it had elected to purchase a replacement unit.

C. DETERMINATION OF COMPARABLE HOUSING

Relocation staff will evaluate the cost of comparable replacement sites in the preparation of each individual Notice of Eligibility issued to residential displacees. For residential tenant occupants, the cost of comparable replacement sites will be determined primarily by the schedule method, which determines the median rent in the local market.

D. RELOCATION BENEFITS - COMMERCIAL TENANTS

Eligible businesses will have two options with respect to claims for relocation assistance benefits:

- 1) compensation for actual reasonable and necessary moving and related expenses, or
- 2) a fixed payment not to exceed \$20,000.

1. Payment for Actual, Reasonable and Necessary Moving and Related Expenses

Any business which qualifies as a displaced person is entitled to payment for such actual moving expenses, as the Agency determines to be reasonable and necessary, including expenses for:

- a. Transportation of persons and property from the present location to the replacement location (transportation costs for a distance beyond 50 miles are not eligible, unless the Agency determines that relocation beyond 50 miles is justified);

- b. Packing, crating, uncrating, and unpacking personal property;
- c. Disconnecting, dismantling, removing, reassembling, and installing relocated and substitute machinery, equipment and other personal property. Includes connection to utilities available nearby and modifications necessary to adapt such property to the replacement structure or to the utilities or to adapt the utilities to the personal property;
- d. Storage of personal property for a period not to exceed 12 months, unless the Agency determines that a longer period is necessary;
- e. Insurance of personal property while in storage or transit and the replacement value of property lost, stolen, or damaged (not through the fault or negligence of the displaced person) in the process of moving, where insurance is not readily available;
- f. Any license, permit, or certification required by the displaced business, to the extent that the cost is necessary for reestablishment at the replacement location. (These costs may be pro-rated based on the remaining useful life of any existing license, permit or certification);
- g. Reasonable and pre-authorized professional services, including architects', attorneys', engineers' fees, and consultants' charges, necessary for: (1) planning the move of the personal property; (2) moving the personal property; or, (3) installing the relocated personal property at the replacement location;
- h. The purchase and installation of substitute personal property limited to the lesser of: (1) an amount equal to the reasonable expenses that would have been required to relocate the property, as determined by the Agency, subject to certain limitations, or, (2) the replacement cost, less any proceeds from its sale or trade in;
- i. The modification of machinery, equipment or other personal property necessary to adapt these to the replacement location or to utilities available at the replacement location;
- j. Relettering signs and replacing stationary on hand at the time of displacement that are made obsolete as a result of the move;
- k. Actual direct losses of tangible personal property resulting from moving or discontinuing a business or non-profit organization, not-to-exceed the lesser of: (1) the fair market value of the property for continued use at its location prior to displacement less any proceeds from sale of the property; or, (2) an amount equal to the reasonable expenses that would have been required to relocate the property, as determined by the Agency, subject to certain limitations;
- l. Actual and reasonable expenses incurred in searching for a replacement business or non-profit organization location, not-to-exceed \$1,000.00, and including

compensation for transportation expenses; time spent searching for a reasonable location, meals, and lodging; real estate broker or agent fees; time spent in obtaining permits and attending zoning hearings; and time spent negotiating the purchase of a replacement site;

- m. Low Value/High Bulk: when the personal property to be moved is of low value and high bulk, and the cost of moving the property would be disproportionate to its value in the judgment of the Agency, the allowable moving cost payment shall not exceed the lesser of: (1) the amount which would be received if the property were sold at the site or (2) the replacement cost of a comparable quantity delivered to the new business location. Examples of personal property covered by this provision include, but are not limited to, stockpiled sand, gravel, minerals, metals and other similar items of personal property as determined by the Agency;
- n. A Reestablishment allowance of up to \$10,000, available to farms, nonprofit organizations and small businesses with no more than 500 employees. Reestablishment allowance payments are made in addition to compensation provided for actual, reasonable and necessary moving expenses. Reestablishment allowance expense categories include but are not limited to:
 - 1) Repairs or improvements to the comparable replacement housing as required by Federal, State or local law, code or ordinance;
 - 2) Modifications to the comparable replacement property to accommodate the business operation or make replacement structures suitable for conducting business;
 - 3) Construction and installation costs for exterior signing to advertise the business;
 - 4) Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint paneling or carpeting;
 - 5) Advertisement of replacement location;
 - 6) Impact fees or one-time assessments for anticipated heavy utility usage;
 - 7) Provision of utilities from right-of-way to improvements on the replacement site;
 - 8) Feasibility surveys, soil testing and marketing studies;
 - 9) Reasonably necessary professional services in connection with the purchase or lease of a replacement site;
 - 10) Estimated increased costs of operation during the first two years at the replacement site for such items as:
 - a. Lease or rental charges

- b. Personal or real property taxes
 - c. Insurance premiums, and
 - d. Utility charges, excluding impact fees
- 11) Other items essential to the reestablishment of the business.

2. Self-Moves

If the displaced business elects to take full responsibility for the move of the business, the Agency will make a payment for the business's moving expenses in an amount not to exceed the lower of two acceptable bids or estimates submitted to the Agency. At the Agency's discretion, a payment for a low cost or uncomplicated move may be based on a single bid or estimate.

3. Fixed Payment in Lieu of a Payment for Actual Reasonable Moving and Related Expenses

The option to claim a fixed payment enables both for-profit and non-profit businesses to receive relocation assistance compensation without providing documentation of bids and actual expenses. The payment amount available to any individual business is based on an average of annual net earnings over a two year period. For businesses which have not been in operation for two years, income figures can be annualized. The method for establishing income is through tax returns and/or certified financial statements. The payment to an eligible business may not be less than \$1,000, or more than \$20,000.

To qualify for this payment, it must be determined that, a displaced business:

- owns or rents personal property, which must be moved in connection with such displacement and for which an expense would be incurred in such move;
- is not operated at the displacement site solely for the purpose of renting the dwelling or site to others;
- cannot be a part of a commercial enterprise having at least three other establishments which are not being acquired by the Agency, and which is under the same ownership and engaged in the same or similar business activities;
- must not be able to relocate without substantial loss of patronage; and
- contributed materially, as defined by the Agency, to the income of the displaced person during the two taxable years prior to displacement.

E. LOSS OF BUSINESS GOODWILL

Business goodwill consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable

retention of old, or acquisition of new patronage. Where claims for loss of business goodwill are anticipated, state law (California Code of Civil Procedure Section 1263.510) requires business owners to prove all of the following:

1. The loss is caused by the taking of the property;
2. The loss cannot reasonably be prevented by relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take to preserve the goodwill; and
3. The compensation for the loss has not been included as a relocation payment, or duplicated in compensation otherwise awarded to the owner.

Claims for loss of business goodwill are normally considered by the Agency in connection with Code of Civil Procedure section 1263.510. Claims for loss of business goodwill may be considered by the Agency outside the context of a filed eminent domain action, provided the claimant provides to the Agency the information necessary to review and evaluate the claim, and for this purpose, the Agency 's practice is to include a goodwill loss questionnaire with the offer letter provided in connection with Government Code section 7267.2, or related notifications. Consistent with Title 25, California Code of Regulations, section 6100 (a)(2), any payment of relocation benefits to a business or farm operation which is considered to be payment for goodwill, and is made prior to final settlement of a claim for compensation for loss of business goodwill, will be offset against such claim, and any compensation paid pursuant to such claim will be reduced in the same amount.

When a fixed payment will precede settlement of a claim for compensation for loss of good will under the Eminent Domain Law (See Section IV, H), the Agency, before tendering payment shall state in writing what portion of the payment, if any, is considered to be compensation for loss of goodwill and shall explain in writing that any payment made pursuant to Code of Civil Procedure, Section 1263.510 et seq. (the Eminent Domain Law, Chapter 9, Article 6 - "Compensation for Loss of Goodwill") will be reduced in the same amount. The portion considered to be compensation for loss of goodwill shall not exceed the difference between the fixed payment made and an amount which reasonably approximates the payments for which the displaced person otherwise would be eligible to receive as outlined in Section IV, D, 1, above.

F. GENERAL INFORMATION REGARDING THE PAYMENT OF RELOCATION BENEFITS

Claims and supporting documentation for relocation benefits must be filed with the Agency no later than 18 months after the date of displacement. The procedure for the preparation and filing of claims, and the processing and delivery of payments, will be as follows:

1. Claimant(s) will provide all necessary documentation to substantiate eligibility for assistance;
2. Relocation staff will review all necessary documentation including, but not limited to, income verification, lease documents and escrow material before reaching a determination as to which expenses are eligible for compensation;

3. Required claims forms will be prepared by relocation staff and presented to the claimant for review. Signed claims and supporting documentation will be returned to relocation staff and submitted to the Agency;
4. The Agency will review and approve claims for payment, or request additional information;
5. The Agency will issue benefit checks to claimants in the most secure, expeditious manner possible;
6. Final payments to residential displacees will be issued after confirmation that the premises from which households have been displaced have been completely vacated and actual residency at the comparable replacement unit is verified; and
7. Receipts of payment and all claims materials will be maintained in the relocation case files for each household and business displaced.

G. LAST RESORT HOUSING

Pursuant to Section 7264.5 of the Relocation Law, if a program or project undertaken by the public entity cannot proceed on a timely basis because comparable replacement housing is not available, the public entity may exceed the maximum amounts which may be paid under Sections 7263 and 7264 on a case-by-case basis for good cause. Specifically, for renters when the computed comparable replacement housing assistance eligibility exceeds \$5,250 or comparable replacement housing unit monthly rental costs (including utilities and other reasonable recurring expenses) exceeds 30% of the person's average monthly income, Last Resort Housing will be provided.

Therefore, if the Project is to go forward, the Agency will authorize its funds or funds authorized for the Project to provide monies adequate for housing of last resort. Funds will be used to make payments in excess of the monetary limit specified in the statute (\$5,250); hence, satisfying the requirement that "comparable replacement housing" is available.

A displaced tenant household will be entitled to consideration for supplementary benefits in the form of Last Resort Housing assistance when the computed comparable replacement housing assistance eligibility exceeds \$5,250 or replacement dwelling monthly rental costs (including utilities and other reasonable recurring expenses) exceed 30% of the person's average monthly income (within financial means) or when a tenant fails to meet the 90-day occupancy requirement and comparable replacement rental housing is not available within the displaced person's financial means. Calculations of Last Resort rental assistance benefits for tenants who fail to meet the 90-day occupancy requirement will be based solely on household income. Non 90-day qualifiers must meet basic eligibility requirements applied to all other displacees.

For owner-occupants/homeowners, if there is not enough "comparable replacement housing" available (related to purchase price), the displacing entity shall exceed the statutory cap of \$22,500 in order to acquire a "comparable replacement housing" unit, including reasonable incidental expenses.

A displaced homeowner household, which has purchased and occupied its current unit for less than 180 days but at least 90 days prior to the "initiation of negotiations" is eligible for all the assistance and benefits that are available to a tenant household.

The Agency may pay Last Resort Housing payments in installments or a lump sum. Recipients of Last Resort rental assistance, who intend to purchase rather than re-rent comparable replacement housing, will have the right to request a lump sum payment of all benefits in the form of downpayment assistance.

H. RELOCATION TAX CONSEQUENCES

In general, relocation benefits payments are not considered income for the purpose of Division 2 of the Internal Revenue Code of 1954, which has been redesignated as the Internal Revenue Code of 1986 (Title 26, U.S. Code), or for the purpose of determining the eligibility or extent of eligibility of any person for assistance under the Social Security Act (42 U.S. Code 301 et seq.) or the Personal Income Tax Law, Part 10 (commencing with Section 17001) of the Revenue and Taxation Code, or the Bank and Corporation Tax Law, Part II (commencing with Section 23001) of Division 2 of Revenue and Taxation Code. The above statement on tax consequences is not intended as tax advice by the Agency or OPC. Displacees are responsible for consulting with their own tax advisors concerning the tax consequences of relocation payments.

V. ADMINISTRATIVE PROVISIONS

A. NOTICES

Each notice that the Agency is required to provide to a Project occupant shall be personally delivered or sent certified or registered first-class mail, return receipt requested and documented in the case file. Each notice will be written in plain, understandable language (including translation, as necessary.) Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions and other needed help.

There are three principal notices:

- 1) the Information Statement
- 2) the Notice of Relocation Eligibility, and
- 3) the 90-Day Vacate Notice.

The Informational Statement is intended to provide potential relocatees with a general written description of the Agency's Relocation Program and basic information concerning benefits, conditions of and conditions to eligibility, noticing requirements and appeal rights. The Informational Statement is not a Notice of Eligibility, which is explained in the next paragraph. Informational Statements were provided to the Project occupants at the time of the interviews as above described. (See **Exhibit C**)

A Notice of Relocation Eligibility (NOE) will be distributed to each residential relocatee household prior to issuance of the 90-day notices to vacate. The NOE to residential relocatees contains a determination of eligibility for relocation assistance and a computation of a maximum benefits to which the household may be eligible and entitled based on information provided by the affected household. Further, there will be an analysis undertaken by the relocation staff of available comparable replacement housing units at or near the time when notices to vacate may be issued by the Agency and prior to displacement of any residential household.

No lawful occupant will be required to move without having received at least 90 days advance written notice of the earliest date by which the move and displacement will be necessary. The 90-Day Vacate Notice will state a specific date as the earliest date by which the occupant may be required to move or state that the occupant will receive a further notice indicating, at least 60 days in advance, the specific date of the required move. The 90-Day Notice will not be issued to any residential displacee before a comparable replacement dwelling has been made available.

In addition to the three principal notices, relocation staff will issue timely written notification in the form of a Reminder Notice, which discusses the possible loss of rights and sets the expiration date for the loss of benefits to those persons who:

- 1) are eligible for monetary benefits
- 2) have moved from the acquired property, and

- 3) have not filed a claim for benefits.

Reminder Notices will be issued periodically throughout the qualification period. An attempt shall be made to make written contact with all non-responsive relocatees no later than within the last six months prior to the filing expiration date.

B. PRIVACY OF RECORDS

All information obtained from displacees is considered confidential and will not be shared without consent of the displacee or the Agency. Relocation staff will comply with federal regulations concerning safeguarding of relocation files and their contents.

C. GRIEVANCE PROCEDURES

A person who is dissatisfied with a determination as to eligibility for benefits, a payment amount, the failure to provide comparable temporary housing, or the Agency's property management practices may file a Relocation Assistance Appeal Form or any other written form of appeal with the Agency. The Agency's appeal policies will follow the standards described in Article 5, Section 6150 et seq., Title 25, Chapter 6, State of California, Department of Housing and Community Development Program guidelines. Specific details for the Agency's appeals policy will be furnished upon request.

D. EVICTION POLICY

The Agency recognizes that eviction is permissible only as a last resort and that relocation records must be documented to reflect the specific circumstances surrounding eviction, if any were to occur. Eviction will only take place in cases of nonpayment of rent, substantive violation of the rental agreement, a dangerous condition or illegal act at or near the unit, possession or use of illegal drugs at or near the unit, or if the household refuses all reasonable offers of alternate accommodation. In the event of an eviction for cause, the displacee may forfeit their eligibility for relocation benefits.

E. CITIZEN PARTICIPATION

As the process for considering the Project moves forward, the Agency will observe the following protocol:

1. Provide affected occupants with full and timely access to documents relevant to the Relocation Program;
2. Encourage meaningful participation in reviewing the Relocation Plan and monitoring the Relocation Program;
3. Provide technical assistance necessary to interpret elements of the Relocation Plan and other pertinent materials;

4. Issue a general notice concerning the availability of the Relocation Plan for public review, as required, 30 days prior to consideration and action by the legislative body to approve (or disapprove) such Relocation Plan; and
5. Include written or oral comments concerning the Relocation Plan as an attachment (**Exhibit F**) when it is forwarded to the City Council, as the legislative body of the Agency, for approval.
6. Schedule a community meeting to provide information on the proposed Project to the surrounding neighborhood as well as a relocation-oriented meeting for the Project occupants.

F. PROJECTED DATE OF DISPLACEMENT

The Agency anticipates that a date specific Notices to Vacate will not be issued prior to January 2012. No occupant will be required to vacate without a minimum of 90 days notice. However, an occupant may choose to vacate voluntarily prior to a vacate notice being issued, once they have received their Notice of Eligibility and be assured they will receive any relocation assistance and benefits to which they may be entitled.

G. ESTIMATED RELOCATION COSTS

The total budget estimate for relocation-related payments for this Project, including a ten percent (10%) contingency, is **\$497,000**.

The estimated relocation budget does not include any payments related to property acquisition, the acquisition of leasehold interests or bonus value, if any, the acquisition of furniture, fixtures and equipment or loss of business goodwill payments. In addition, the budget does not consider the cost of any administrative services necessary to implement the Relocation Plan and complete the relocation element of the Project.

If the Project is to be implemented and circumstances arise that should change either the number of displaced occupants, or the nature of their activity, the Agency will authorize any additional compensable funds that may need to be appropriated. The Agency pledges to appropriate, on a timely basis, the funds necessary to ensure the successful completion of this Relocation Plan and Relocation Program, including funds necessary for Last Resort Housing as indicated in Section IV, G hereof to meet its obligation under the Relocation Law.

EXHIBIT A
RESIDENTIAL INTERVIEW FORM

EXHIBIT B
BUSINESS INTERVIEW FORM

EXHIBIT C

HUD INCOME LIMITS – ORANGE COUNTY

The following figures are approved by the U. S. Department of Housing and Community Development (H.C.D.) for use in the **County of Orange** to define and determine housing eligibility by income level.

Area Median: \$87,200			
Family Size	Extremely Low	Very Low	Lower
1 Person	19,500	32,500	52,050
2 Person	22,300	37,200	59,450
3 Person	25,100	41,850	66,900
4 Person	27,850	46,450	74,300
5 Person	30,100	50,200	80,250
6 Person	32,350	53,900	86,200
7 Person	34,550	57,600	92,150
8 Person	36,800	61,350	98,100

Figures are per the Department of Housing and Community Development (California), Division of Housing Policy Development, **May 20, 2010**.

EXHIBIT D
RESIDENTIAL INFORMATION STATEMENT

EXHIBIT E
BUSINESS INFORMATION STATEMENT

EXHIBIT F
PUBLIC COMMENTS AND RESPONSES