

### **What Other Assistance Will Be Available to Help Me?**

In addition to help in finding a suitable replacement location, your relocation representative will help you secure the services of outside specialists, as necessary, to plan the move, as well as provide assistance during the actual move and in the reinstallation of machinery and/or other personal property. The range of services depends on the needs of the business being displaced. You should ask the Agency's relocation representative to tell you about the specific services that will be available to you.

### **I Have a Replacement Location and Want to Move. What Should I Do?**

Before you make any arrangements to move, notify the Agency's relocation representative, in writing, of your intention to move. This should be done at least 30 days before the date you begin your move. The Agency will discuss the move with you and advise you of the relocation payment(s) for which you may be eligible, the requirements to be met, and how to obtain a payment.

### **I Plan to Discontinue My Business Rather than Move. What Should I Do?**

If you have decided to discontinue your business rather than reestablish, you may still be eligible to receive a payment. Contact the Agency's relocation representative and discuss your decision to discontinue your business. You will be informed of the payment, if any, for which you may be eligible, the requirements to be met, and how to obtain your payment.

### **What Kinds of Payments for Moving Expenses Will I Receive?**

Every eligible business, non-profit organization and farm is entitled to a relocation payment to cover the reasonable cost of moving. You may choose either:

A. Payment for Actual Reasonable Moving and Related Expenses,

or

B. Fixed Payment for Moving Expenses (if you meet the eligibility requirements).

### **What is the Payment for Actual Reasonable Moving and Related Expenses?**

If you choose a Payment for Actual Reasonable Moving and Related Expenses, you may claim the cost of:

1. Transportation of personal property. Transportation costs for a distance beyond 50 miles are not eligible, unless the Agency determines that relocation beyond 50 miles is justified.
2. Packing, crating, unpacking, and uncrating of the personal property.
3. Disconnecting, dismantling, removing, reassembling, and reinstalling relocated machinery, equipment, and other personal property, and certain substitute personal property. This includes connection to utilities available within the building. It also includes modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to the replacement structure, the replacement site, or the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property.
4. Storage of the personal property not to exceed 12 months, unless the Agency determines that a longer period is necessary.
5. Insurance for the replacement value of the personal property in connection with the move and necessary storage.

6. The replacement value of property lost, stolen or damaged in the process of moving (not through fault or negligence of the displaced person, his or her agent or employee), where insurance covering such loss, theft or damage is not reasonably available.
7. Any license, permit or certification required of your business at the replacement location. However, the payment may be based on the remaining useful life of the existing license, permit, or certification.
8. Professional services as the Agency determines to be actual, reasonable and necessary for (1) planning the move of the personal property, (ii) moving the personal property, and (iii) installing the relocated personal property at the replacement location.
9. Re-lettering signs and replacing stationary on hand at the time of displacement that is made obsolete as a result of the move.
10. Actual direct loss of tangible personal property incurred as a result of moving or discontinuing your business. The payment will consist of the lesser of:
  - (i) The fair market value of the item, **as is** for continued use at the displacement site, less the proceeds from its sale. (To be eligible for payment, you must make a good faith effort to sell the personal property, unless the Agency determines that such effort is not necessary. When payment for property loss is claimed for goods held for sale, the fair market value will be based on the cost of the goods to the business, not the potential selling price.); **or**
  - (ii) The estimated cost of moving the item **as is**, but with no allowance for storage; or for reconnecting a piece of equipment if the equipment is in storage or not being used at the acquired site. (If you elect to discontinue your business, the estimated cost will be based on a moving distance of 50 miles.)
11. The reasonable cost incurred in attempting to sell an item that is not to be relocated.
12. Purchase of substitute personal property. If an item of personal property which is used as part of your business is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, you will be entitled to payment for the lesser of:
  - (i) 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
  - (ii) The estimated cost of moving and reinstalling the replaced item but with no allowance for storage. At the Agency's discretion, the estimated cost for a low cost or uncomplicated move may be based on a single bid or estimate.
13. Searching for a replacement location. Your business is entitled to reimbursement for actual expenses, not to exceed \$ 2,500 as the Agency determines to be reasonable, which are incurred in searching for a replacement location including:
  - i) Transportation
  - ii) Meals and lodging away from home.
  - iii) Time spent searching, based on reasonable salary or earnings.
  - iv) Fees paid to a real estate agent or broker to locate a replacement site, exclusive of any fees or commissions related to the purchase of such site.
  - v) Time spent in obtaining permits and attending zoning hearings; and
  - vi) Time spent negotiating the purchase of a replacement site based on a reasonable salary or earnings.
14. Other related moving expenses as the Agency determines to be reasonable and necessary, including:

- i) Connection to available nearby utilities from the right-of-way to improvements at the replacement site;
- ii) Professional services performed prior to the purchase or lease of a replacement site to determine its suitability for your business operation, including but not limited to soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site). At the Agency's discretion, a reasonable pre-approved hourly rate may be established
- iii) Impact fees or one-time assessments for anticipated heavy utility usage, as determined by the Agency.

The Agency's relocation representative will explain all eligible moving costs, as well as, those which are not eligible. You must be able to account for all costs that you incur; so keep all your receipts. The Agency will inform you of the documentation needed to support your claim.

You may minimize the amount of documentation needed to support your claim, if you elect to "self-move" your property. Payment for self-move is based on the amount of an acceptable low bid or estimate obtained by the Agency. If you self-move, you may move your personal property using your own employees and equipment or a commercial mover. If you and the Agency cannot agree on an acceptable amount to cover the cost of the "self-move," you will have to submit full documentation in support of your claim.

You may elect to pay your moving costs yourself and be reimbursed by the Agency or, if you prefer, you may have the Agency pay the mover directly. In either case, let the Agency's relocation representative know before you move. The Agency representative can help you select a reliable and reputable mover.

When a payment for "actual direct loss of personal property" or "substitute personal property" is made for an item, the estimated cost of moving the item may be based on the lowest acceptable bid or estimate obtained by the Agency. If not sold or traded-in, the item must remain at the old location and ownership of the item must be transferred to the Agency before you may receive the payment.

### **What are Reestablishment Expenses?**

In addition to actual, reasonable moving and related expenses, a small business, non-profit organization or farm may be eligible to receive a payment of up to \$10,000 for expenses actually incurred in relocating and reestablishing its operation at a replacement site.

Eligible expenses must be reasonable and necessary, as determined by the Agency. They may include but are not limited to the following:

- A. Repairs or improvements to the replacement real property as required by federal, state or local law, code or ordinance.
- B. Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business.
- C. Construction and Installation costs for exterior signage to advertise the business.
- D. Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling or carpeting.
- E. Advertising of replacement location.
- F. Estimated increased costs of operation during the first 2 years at the replacement site, for such items as:

1. Lease or rental charges
2. Personal or real property taxes
3. Insurance premiums, and
4. Utility charges (excluding Impact fees)

G. Other items that the Agency considers essential to the reestablishment of the business.

#### **What Expenses Are Not Eligible for a Reestablishment Payment?**

The following is a non-exclusive listing of reestablishment expenditures not considered to be reasonable, necessary or otherwise eligible:

- A. Purchase of capital assets, such as, office furniture, filing cabinets, and machinery or trade fixtures.
- B. Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.
- C. Interest costs associated with any relocation expense or the purchase of replacement property.
- D. Payment to a part-time business in the home which does not contribute materially to the household income.

#### **What is a Fixed Payment?**

A displaced business, non-profit organization or farm may be eligible to choose a fixed payment in lieu of the payments for actual moving and related expenses and actual reasonable reestablishment expenses. The payment may not be less than \$1,000.00 or more than \$20,000.00. For a business or farm, the payment is based on the average annual net earnings before Federal, State and local income taxes during the 2 taxable years immediately prior to the taxable year in which it was displaced. For a non-profit organization, the payment is based on the average of 2 years annual gross revenues less administrative expenses.

In order to qualify for this payment, the Agency must determine that:

1. The business owns or rents personal property which must be moved in connection with the displacement and for which an expense would be incurred in such move, and the business vacates or relocates from its displacement site.
2. The business cannot be relocated without a substantial loss of existing patronage (clientele or net earnings).
3. The business is not a part of a commercial enterprise having more than three other entities which are not being acquired by the Agency, and which are engaged in the same or similar business activities.
4. The business is not operated at the displacement dwelling/site solely for the purpose of renting such dwelling/site to others.
5. The business contributed materially to the income of the displaced person during the two (2) taxable years prior to displacement.

If the business or farm was not in operation for the full two years prior to displacement, the net earnings are based on the actual period of operation at the acquired site projected to an annual rate. Average net earnings may be based on a different period of time when the Agency determines it to be more equitable. Net earnings include any compensation paid to the owners of the business, a spouse or dependents. Proof of net earnings must be furnished to the Agency through income tax returns, certified financial statements, or other reasonable evidence which the Agency determines is satisfactory.

For a qualified non-profit organization, gross earnings may include membership fees, class fees, cash donations, tithes and receipts from sales or other forms of fund collection that enables the non-profit organization to operate. Administrative expenses are those for administrative support such as rent, utilities, salaries, advertising and other like items as well as fund raising expenses. Operating expenses for carrying out the purposes of the non-profit organization are not included in administrative expenses. The monetary receipts and expense amounts may be verified with certified financial statements or financial documents required by public agencies.

The Agency will inform you as to your eligibility for this payment and the documentation you must submit to support your claim. NOTE: When you elect this payment you are not entitled to reimbursement for any other moving expenses.

### **I Own an Outdoor Advertising Display. What Relocation Payment will I Receive?**

As the owner of an outdoor advertising display, you are eligible for a Relocation Payment For Actual Reasonable Moving And Related Expenses. You are not eligible to receive a Payment In Lieu of a Payment For Actual Reasonable Moving And Related Expenses.

If you choose not to relocate or replace the sign, the payment for "direct loss of personal property" would be the lesser of: (1) the depreciated reproduction cost of the sign, as estimated by the Agency, less the proceeds from its sale, or (2) the estimated cost of moving the sign without temporary storage. The Agency will inform you as to the exact costs that may be reimbursed.

### **How do I Receive a Relocation Payment?**

You must file a claim for a relocation payment. The Agency's relocation representative will provide you with the required claim forms, assist you in completing them, and explain the type of documentation that you must submit in order to receive your relocation payments. If you must pay any relocation expenses before you move (e.g., because you must provide a security deposit if you lease your new location), discuss your financial needs with the Agency. You may be able to obtain an advance payment. An advance payment may be placed in "escrow" to ensure that the move will be completed on a timely basis.

If you are a tenant, you must file your claim within 18 months after the date you move. If you own the property, you must file within 18 months after the date you move, or the date you receive the final acquisition payment, whichever is later. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, the Agency may extend this period.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

### **Appeals**

If you disagree with the Agency's decision as to your right to a relocation payment or the amount of payment, you may appeal the decision to the Agency. The Agency's relocation representative will inform you of its appeal procedures. At a minimum, you will have 18 months from the date you move to file your appeal with the Agency. Your appeal must be in writing. However, if you need help, the Agency's relocation representative will assist you in preparing your appeal. If you are not satisfied with the final appeal decision, you may seek review of the matter by the courts.

### **Tax Status of Relocation Benefits**

Relocation benefit payments are not considered as income for the purpose of the Internal Revenue Code of 1986 or the Personal Income Tax Law, Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code, or the Bank and Corporation Tax law, Part 11(commencing with Section

23001) of Division 2 of the Revenue and Taxation Code. The preceding statement is not tendered as legal advice in regard to tax consequences, and you should consult with your own tax advisor or legal counsel to determine the current status of such payments.

### **Lawful Presence Requirement**

Pursuant to the Public Law 105-117 of 11-21-97, in order to be eligible to receive non-residential relocation benefits in federally funded relocation projects, the owner of a sole proprietorship and all owners of a partnership must provide information regarding their lawful presence in the United States. Sole proprietors or partnerships with owners who are not lawfully present in the United States, or who decline to provide this information, may be denied relocation benefits. Relocation benefits will be prorated to reflect the number of owners with certified lawful presence in the United States.

### **Applicability**

While every effort has been made to assure accuracy of this statement, it should be understood that it does not have the force and effect of law, rule, or regulation, governing the payment of benefits. Should any difference or error occur, the law will take precedence.

### **Additional Information**

If you have further questions regarding this Informational Statement or the relocation process, please contact the Agency's relocation representative:



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**4700 Stockton Boulevard  
RIVER CITY MOTEL  
Replacement Housing Plan for Very-Low  
Income Dwelling Units**

**Description of Property**

The subject property is located at 4700 Stockton Boulevard in the County portion of the Stockton Boulevard Redevelopment Project Area, Board of Supervisor District 1 on the southwest corner of Baker Avenue and Stockton Boulevard. The River City Motel is an older motel, vintage 1960s, that has deteriorated over time. The motel consists of 30 motel rooms, a manager's quarters and one unit that is used by the owner. Some of the rooms have been used as permanent housing over the years, particularly since the development of Highway 99 has largely eliminated Central Valley intercity traffic along Stockton Boulevard. The property contains 24,283 square feet.

Based on an analysis of State replacement housing requirements, discussed more fully below, the Agency is required to replace only those motel units that are used as long term housing. The Agency is currently moving forward with a staff report that will authorize purchase of the property via a Resolution of Just Compensation, approval of the Relocation Plan for the long-term motel tenants, and this Replacement Housing Plan. This staff report is presently scheduled to go to the Redevelopment Agency of the County of Sacramento on May 27, 2008.

Following acquisition of the property, the Agency will demolish all the improvements, potentially assemble the parcel with another contiguous parcel and redevelop the site as a mixed use project with affordable residential units and commercial and neighborhood serving retail.

Redevelopment of the obsolete River City Motel presents a significant opportunity to upgrade and modernize that portion of the Redevelopment Project Area.

Please refer to Attachment 1 for a map of the project site.

**Project Status**

Upon successful acquisition of the property, the motel will be demolished and prepared for the development (along with a potential contiguous parcel) of a mixed use residential commercial project. The Phase I Environmental Site assessment shows no obvious evidence of a recognized environmental condition. No further assessment of the site is recommended or warranted. The Agency will publish a Request for Proposals (RFP) to select a developer for development of the site. When the market conditions improve, a RFP will be issued and a developer and development plan for the site and any assembled parcels will be identified and the project will move forward.

## **Responsibility of Agency**

California statutes require redevelopment agencies to replace low and moderate-income housing lost to residential use if that action involved either a development agreement or financing by the Agency. The specific provision of the California Health and Safety Code (Sec. 33413) is as follows:

"Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as a part of a redevelopment project which is subject to a written agreement with the agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to person and families of low or moderate income, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency. When dwelling units are destroyed or removed after September 1, 1989, 75 percent of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very low income households, lower income households, and persons and families of low and moderate income, as the persons displaced from those destroyed or removed units. When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units."

## **Replacement Housing Needs**

### **State Guidelines**

Because the acquisition 4700 Stockton Boulevard includes the use of local redevelopment tax increment funds, the project is subject to state replacement housing law, California Health and Safety Code 33413. Under state law, if a unit was occupied by a very-low, low- or moderate-income family (regardless of actual housing costs), and taken off line through demolition or other actions, that unit must be replaced at the same or lower income level, and must be regulated at that affordability level for the longest feasible time as determined by the Agency but for not less than the period of the land use controls established in the Redevelopment Plan. State law requires that replacement units be created within four years of removal or destruction.

The Sacramento Housing and Redevelopment Agency has identified the following units at the River City Motel that must be replaced within the required four-year time period: eight motel units, one two-bedroom manager's unit and one one-bedroom owner's unit.

The affordability level, type and number of units/bedrooms required to replace the lost units at the River City Motel is based on the following assumptions:

Eight motel units, that for purposes of this Replacement Plan will be considered one-bedroom, one bathroom housing units, occupied by very low income households [50% or below Area Median Income (AMI)].

One two-bedroom, two bathroom manager's unit, occupied by a moderate income household (110% or below AMI).

One one-bedroom, one bathroom owner occupied unit, at moderate income (110% or below AMI).

The Agency will replace the 11 bedrooms lost at the River City Motel with nine one-bedroom units and one two-bedroom unit at the following affordability level:

- Nine one-bedroom units at 50% or below AMI.
- One two-bedroom unit at 50% or below AMI.

### **Replacement Dwelling Units**

The Agency will replace the required units at Colonia San Martin, a new construction project that, when complete, will create 59 income restricted units and one unrestricted manager's unit. Of the 60 units, 40 will be supportive housing units for individuals and families with HIV/AIDS. Colonia San Martin is located at 7271 Florin Mall Drive in the Florin Road Redevelopment Area of the County of Sacramento (Board District 2). The project is being financed with federal tax credits, HOME funds, County Housing Trust Fund, a federal Housing Opportunities for Persons with AIDS (HOPWA) grant, a state Affordable Housing Program (AHP) loan, and private funds. The project will provide rental housing at the following affordability levels: 40 units restricted to households earning 30 percent and below AMI, and 19 units at 50 percent AMI. Colonia San Martin is comprised of one- two- and three-bedroom units distributed over the identified affordability levels. Construction is projected to be completed in December 2008. Due to the regulatory agreements on the property, the units will remain affordable for 55 years.

The Agency will replace the 11 bedrooms being lost at the 4700 Stockton Boulevard site as follows:

- Nine one-bedroom units at an affordability level of 50 percent or below AMI.
- One two-bedroom unit at 50 percent or below AMI.

### **Article XXXIV**

The County of Sacramento is currently in compliance with its requirements under the California Constitution, Article XXXIV. The project being used as replacement

housing for the units located at 4700 Stockton Boulevard in Sacramento, CA is within the current allocation and does not require a vote of the public.

**Schedule for Demolition**

The River City Motel units will be demolished during the last quarter of 2008.