V. "SECTION 8" TENANTS

When you do move, you may be eligible to transfer your Section 8 eligibility to a replacement site. In such cases, a comparable replacement dwelling will be determined based on your family composition at the time of displacement and the current housing program criteria. This may not be the size of the unit you currently occupy. Your relocation representative will provide counseling and other advisory services along with moving benefits.

VI. REPLACEMENT HOUSING PAYMENT – HOMEOWNERS

A. If you owned and occupied a dwelling purchased by the Displacing Agency for **at least 180 days** prior to the first offer to purchase, you may be eligible to receive a payment of up to $22,500.00 to assist you in purchasing a comparable replacement unit. If you choose to rent rather than purchase a replacement dwelling, the payment will be based on a determination of market rent for the acquired dwelling compared to a comparable rental dwelling available on the market. This payment is intended to cover the following items:

1. **Purchase Price Differential** - An amount which, when added to the amount for which the Displacing Agency purchased your property, equals the lesser of the actual cost of your replacement dwelling; **or** the amount determined by the Displacing Agency as necessary to purchase a comparable replacement dwelling. Your relocation representative will explain both methods to you.

2. **Mortgage Interest Differential** - The amount which covers the increased interest costs, if any, required to finance a replacement dwelling. Your relocation representative will explain limiting conditions.

3. **Incidental Expenses** - Those one time incidental costs related to purchasing a replacement unit, such as escrow fees, recording fees, and credit report fees. Recurring expenses such as prepaid taxes and insurance premiums are not compensable.

B. Rental Assistance Option - If you are an owner-occupant and choose to rent rather than purchase a replacement dwelling, you may be eligible for a rental assistance payment of up to the amount that could have been received under the Purchase Price Differential, explained above. The payment will be based on the difference between the fair market rent of the dwelling you occupy and the rent you must pay for a comparable replacement dwelling.

If you receive a rental assistance payment, as described above, and later decide to purchase a replacement dwelling, you may apply for a payment equal to the amount you would have received if you had initially purchased a comparable replacement dwelling, less the amount you have already received as a rental assistance payment.

VII. QUALIFICATION FOR AND FILING OF RELOCATION CLAIMS

To qualify for a Replacement Housing Payment, you must rent or purchase and occupy a comparable replacement unit **within one year from the following:**

- For a tenant, the date you move from the displacement dwelling.
- For an owner-occupant, the latter of:

  a. The date you receive final payment for the displacement dwelling, or, in the case of condemnation, the date the full amount of estimated just compensation is deposited in court:

  or

  b. The date the Displacing Agency fulfills its obligation to make available comparable replacement dwellings.

All claims for relocation benefits must be filed with the Displacing Agency **within eighteen (18) months** from the date on which you receive final payment for your property, or the date on which you move, whichever is later.

VIII. LAST RESORT HOUSING ASSISTANCE

If comparable replacement dwellings are not available when you are required to move, or if replacement housing is not available within the monetary limits described above, the Displacing Agency will provide Last Resort housing assistance to enable you to rent or purchase a replacement dwelling on a timely basis. Last Resort housing assistance is based on the individual circumstances of the displaced person. Your relocation representative will explain the process for determining whether or not you qualify for Last Resort assistance.

If you are a tenant, and you choose to purchase rather than rent a comparable replacement dwelling, the entire amount of your rental assistance and last resort eligibility must be applied toward the down-payment of the home you intend to purchase.

IX. RENTAL AGREEMENT

As a result of the Displacing Agency 's action to purchase the property where you live, you may become a tenant of the Displacing Agency. If this occurs, you will be asked to sign a rental agreement which will specify the monthly rent to be paid, when rent payments are due, where they are to be paid and other pertinent information.

X. EVICTIONS

Eviction for cause must conform to applicable State and local law. Any person who occupies the real property and is not in unlawful occupancy on the date of initiation of negotiations, is presumed to be entitled to relocation benefits, unless the Displacing Agency determines that:

- The person received an eviction notice prior to the initiation of negotiations and, as a result, was later evicted; or
- The person is evicted after the initiation of negotiations for serious or repeated violation of material terms of the lease; and

- In either case, the eviction was not undertaken for the purpose of evading relocation assistance regulations.

XI. APPEAL PROCEDURES - GRIEVANCE

Any person aggrieved by a determination as to eligibility for a relocation payment, or the amount of a payment, may have his/her claim reviewed or reconsidered in accordance with the Displacing Agency's appeals procedure. Complete details on appeal procedures are available upon request from the Displacing Agency.

XII. TAX STATUS OF RELOCATION BENEFITS

California Government Code Section 7269 indicates no relocation payment received shall be considered as income for the purposes of the Personal Income Tax Law, Part 10 (commencing with Section 170 01) 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. Furthermore, federal regulations (49 CFR Part 24, Section 24.209) also indicate that no payment received under this part (Part 24) shall be considered as income for the purpose of the Internal Revenue Code of 1954, which has been redesignated as the Internal Revenue Code of 1986. The preceding statement is not tendered as legal advice in regard to tax consequences, and displacees should consult with their own tax advisor or legal counsel to determine the current status of such payments.

XIII. LAWFUL PRESENCE REQUIREMENT

In order to be eligible to receive relocation benefits in federally funded relocation projects, all members of the household to be displaced must provide information regarding their lawful presence in the United States. Any member of the household who is not lawfully present in the United States or declines to provide this information may be denied relocation benefits, unless such ineligibility would result in an exceptional and extremely unusual hardship to the alien's spouse, parent, or child, any of whom is a citizen or an alien admitted for permanent residence. Exceptional and extremely unusual hardship is defined as significant and demonstrable adverse impact on the health or safety, continued existence of the family unit, and any other impact determined by the Displacing Agency to negatively affect the alien's spouse, parent or child. Relocation benefits will be prorated to reflect the number of household members with certified lawful presence in the US.

XIV. ADDITIONAL INFORMATION AND ASSISTANCE AVAILABLE

Those responsible for providing you with relocation assistance hope to assist you in every way possible to minimize the hardships involved in relocating to a new home. Your cooperation will be helpful and greatly appreciated. If you have any questions at any time during the process, please do not hesitate to contact your relocation representative.

ATTACHMENT 7 – INFORMATIONAL

INFORMATIONAL STATEMENT FOR BUSINESSES, NON-PROFIT ORGANIZATIONS AND FARMS

(Pursuant to Requirements of Uniform Relocation Act)

Introduction

The property on which you now conduct your business is in an area to be improved with the assistance of the **Sacramento Housing and Redevelopment Agency** ("Agency"). The Agency's plans require the acquisition of several land parcels and the relocation of existing commercial uses. If the Agency proceeds with the acquisition, you will be notified in a timely manner as to the date by which you must move.

Please read this information, as it will be helpful to you in determining your eligibility and the amount of your relocation benefits under the federal and/or state law. We suggest you save this informational statement for reference.

This is not a notice to move. It is important that you do not move before you learn what you must do to receive relocation payments and other assistance to which you may be entitled. The Agency has retained the services of our firm, Paragon Partners Ltd. a qualified professional relocation firm, to assist you. We are available to explain the program and benefits. Our address and telephone number is:

Paragon Partners Ltd.

Paragon Partners, Ltd.
1451 River Park Drive, Suite 251
Sacramento, CA 95815
Toll Free Tele: 1.866.398.5510
Fax: 916.565.0533

Spanish speaking representatives are available. **Si necesita esta información en Español, porfavor llame a su representante.**

Summary of Relocation Assistance

As an eligible displaced person, you will be offered appropriate financial and advisory assistance to help you relocate, including:

A. Payment for your moving expenses, which include either

- A Payment for Actual Reasonable Moving and Related Expenses

or

- A Fixed Payment In Lieu of a Payment for Actual Moving and Related Expenses

B. Advisory assistance to explain the relocation process, the related eligibility requirements and the procedures for obtaining reimbursement for moving expenses.

C. Other help as needed to reestablish your business to minimize the impact of the move.

If you disagree with the Agency's decision as to your right to a relocation payment, or the amount of the payment, you may appeal that decision.

SOME GENERAL QUESTIONS

How Will I Know I Am Eligible for Relocation Assistance?

Ordinarily, eligibility begins on the date the owner of the property receives the Agency's initial written offer to purchase it. Therefore, you should not move before that date. If you do, you may not be eligible for relocation assistance.

How Will the Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency. The interviewer will want to get information about your current operation, as well as identify movable personal property and non-movable improvements, determine your needs and preferences for a replacement location, estimate the time required to vacate the premises and your need for advance payments. During the interview, you may want to discuss other issues relative to your move. It is to your advantage to provide as much information as possible so that the Agency, through its relocation representative, can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have to Move?

Every reasonable effort will be made to provide you with sufficient time to find and reestablish your business in a suitable replacement location. If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for the property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at least 90 days advance written notice. It is important, however, that you keep in close contact with the Agency so that you are aware of the time schedule for carrying out the project and the approximate date by which you will have to move.

I Own the Property. Will I Be Paid for It Before I Have to Move?

If you reach a voluntary agreement to sell your property to the Agency, you will not be required to move before you receive the agreed purchase price. If the property is acquired through an eminent domain proceeding, you cannot be required to move before the estimated fair market value of the property has been deposited with the court. (You should be able to withdraw this amount immediately, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property).

Will I Have to Pay Rent to the Agency Before I Move?

You may be required to pay a fair rent to the Agency for the period between the acquisition of your property and the date that you move. Your rent and the terms of your tenancy will be generally the same as in the prior arrangement.

How Will I Find a Replacement Location?

Your relocation representative will provide you with current and continuing information on available replacement locations that meet your needs. You will also be provided with the names of local real estate agents and brokers who can assist you in finding the type of replacement location you require, however you are urged to take an active role in finding and relocating to a location of your choice. No one knows your needs better than you do. You will want a facility that provides sufficient space for your planned activities. You will also want to ensure that there are no zoning or other requirements which will unduly restrict your planned operations. Your relocation representative will explain which kind of moving costs are eligible for reimbursement and which are not eligible. That will enable you to carry out your move in the most advantageous manner.

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:

Paragon Partners Ltd.

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