

Bulletin 47

A GENERAL GUIDE TO THE RELOCATION ASSISTANCE PROGRAM OF THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION

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Department of Transportation
Right-of-Way Acquisition Unit**



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Preface

The Pennsylvania Department of Transportation has prepared this booklet in order to provide information to property owners who will be displaced as a result of the development of a transportation project. This booklet is only one part of the services which are provided to property owners being relocated.

The Department of Transportation provides relocation assistance in order to assure that all residential and business owners and tenants receive the maximum assistance and payments allowable by law.

Policies and procedures have been implemented to assure that every displaced residential occupant is offered a comparable decent, safe and sanitary replacement dwelling. These policies and procedures also provide for an appeal hearing process to encourage amicable resolution of controversies that may arise. In addition, no one will be required to move without the prior receipt of at least 90 days advanced notice of the move date. Usually, this notice will be given at the same time the written offer to purchase (Initiation of Negotiations) is presented. Under no circumstances will an occupant be required to move before the expiration of the 90 days.

It is recommended that you carefully read the sections of this booklet that apply to your circumstances.

This booklet generally outlines the Department's relocation assistance and payments program which is available to all eligible displaced persons and businesses. ***This booklet does not guarantee the amount of any payment, nor is it intended to detail the Department's policies and procedures as they pertain to every relocation situation.*** If any policy or procedure that affects the method of computation or the eligibility requirements for any relocation payment is not explained to your satisfaction in this booklet, feel free to ask your relocation advisor.

TABLE OF CONTENTS

	PAGE
PREFACE.....	i
SECTION ONE ELIGIBILITY AND REQUIREMENTS.....	2
SECTION TWO..... RELOCATION PAYMENTS AND BENEFITS – GENERAL.....	5
SECTION THREE..... OWNER-OCCUPANTS OF 90 DAYS OR MORE.....	6
SECTION FOUR TENANT-OCCUPANTS OF 90 DAYS OR MORE AND OWNER-OCCUPANTS OF 90 DAYS OR MORE ELECTING A RENT SUPPLEMENT.....	13
SECTION FIVE..... OWNERS AND TENANTS LESS THAN 90 DAYS.....	20
SECTION SIX MOBILE HOMES.....	21
SECTION SEVEN..... RESIDENTIAL MOVING COSTS.....	24
SECTION EIGHT..... BUSINESSES, FARMS AND NONPROFIT ORGANIZATIONS.....	29
SECTION NINE..... APPRAISAL, ENGINEERING AND ATTORNEY FEES.....	37
SECTION TEN..... DECENT, SAFE AND SANITARY STANDARDS.....	38
SECTION ELEVEN OFF-PREMISE OUTDOOR ADVERTISING DEVICES.....	40
SECTION TWELVE DISTRICT OFFICE INFORMATION.....	45

SECTION ONE ELIGIBILITY AND REQUIREMENTS

1. ELIGIBILITY

A relocation advisor representing the Department of Transportation is available to assist residents to locate comparable, decent, safe and sanitary replacement housing; or, to assist businesses, farm operations or nonprofit organizations to locate suitable replacement sites and facilities. Relocation advisory assistance is available to all eligible displaced persons. Persons eligible for relocation advisory assistance include:

- a. Any displaced person in legal occupancy of real property who moves personal property as a result of the acquisition of such real property for a project.
- b. Any person occupying property immediately adjacent to real property acquired when the Department determines that such person or persons are caused substantial economic injury because of the acquisition.
- c. Any person who, because of the acquisition of real property used for a business or farm operation, moves from other real property used for a dwelling, or moves personal property from such other real property.

2. RELOCATION ADVISORY ASSISTANCE INCLUDES SUCH THINGS AS:

- a. Providing you with a current and continuing list of decent, safe and sanitary replacement dwellings or a list of business sites which are for sale or lease.
- b. Providing current information regarding financing, mortgages, interest rates and terms, security deposits, leases, closing costs, typical down payments, taxes, assessments, etc.
- c. Making referrals to public and private agencies as needed for special problems.
- d. Making available, especially to handicapped and elderly, transportation to inspect potential replacement housing.
- e. Making an inspection of the replacement dwelling to determine whether or not it meets decent, safe and sanitary requirements.
- f. Assisting in making necessary moving arrangements.
- g. Assisting in the preparation of forms and other documents necessary to receive various relocation payments.
- h. Ensuring that you receive all monetary benefits to which you are entitled.

The following items include several general requirements that may apply to your relocation situation. Items 3 and 4 apply only to residential claims. Items five through nine may be applicable to all types of relocation claims.

3. DECENT, SAFE AND SANITARY REQUIREMENT

One of the residential eligibility requirements which must be met in order to receive a supplemental payment is that the replacement dwelling must be decent, safe and sanitary. When you have found a replacement dwelling, the relocation advisor should be notified in order to inspect the replacement dwelling to ensure that it meets the decent, safe and sanitary requirements before you have become obligated to rent or buy. Please refer to Section Eleven for more details.

4. OCCUPANCY REQUIREMENT

In order to qualify for relocation payments, individuals, families, businesses, nonprofit organizations and farm operations must be in possession of (that is, occupy) the real property when the Department presents a written Notice of Intent to Acquire, an offer to purchase the real property (Initiation of Negotiations) or Advance Notice of Move Date. Persons who move prior to receipt of such written notice or offer will forfeit relocation payments.

5. PAYMENTS NOT CONSIDERED AS INCOME OR RESOURCES

Relocation payments are not considered as income for State, Local or Federal income tax purposes, nor considered as income or resources when determining eligibility for any State or Federally subsidized assistance program.

6. OBLIGATION TO PAY RENT

Occasionally it becomes necessary for you to rent the acquired dwelling or business from the Department between the time of acquisition and the time of relocation. In the rare instances when this occurs, you will be required to enter into a written lease with the Department. Similar to any other obligation, the rent owed under the terms of the lease must be paid.

7. ADMINISTRATIVE APPEAL PROCEDURE

In the event that you are dissatisfied with a determination concerning eligibility for or the amount of any relocation benefit or payment, you may notify the District Right-of-Way Administrator in writing to request an administrative appeal.

When the District Right-of-Way Administrator receives a written request for an appeal, a decision whether you (the appellant) desire an appeal by hearing or consent to a summary disposition must be determined.

Where the appellant requests a hearing, a convenient time and place will be coordinated. Appeal hearings will be conducted by the Central Office and are generally informal in nature where the appellant is given ample opportunity to present any fact that they feel is pertinent.

Even where an appeal is requested, the Department reserves the right to dismiss the appeal pursuant to summary disposition where the facts are not in dispute and the right to relief is clear.

In the event that an agreement cannot be reached or you choose to file an appeal with the Department, you may petition for a Board of Viewers of the County in which the property is located. If dissatisfied with the Board of Viewers findings, a further local appeal may be made to the County Court of Common Pleas.

8. PAYMENT PROCESSING TIME - AVAILABILITY OF FUNDS

Once you decide where to relocate, you will need funds available to purchase or rent a replacement dwelling or business and to pay for the move of your personal property. Under normal circumstances, a payment can be processed and a check prepared within thirty days from the date you sign the papers necessary to process the payment. With your cooperation, by keeping your relocation advisor notified of your plans and by scheduling your move and/or settlement on your replacement property to take into consideration the payment processing time, we can have funds available when you need them.

9. ALIENS NOT LAWFULLY PRESENT IN THE UNITED STATES

Aliens Not Lawfully Present in the United States are ineligible for relocation services and payments unless such ineligibility would result in extremely unusual hardship to a qualifying spouse, parent or child who is lawfully present in the United States.

SECTION TWO RELOCATION PAYMENTS AND BENEFITS

As an occupant of a property to be acquired by the Department of Transportation, you are eligible to receive relocation benefits. The table below is a guide for each category of occupant. To use this table, find the occupancy type that best describes your situation and read down the column to determine your eligibility for benefits. All of the benefits included on this table are explained in detail later in this booklet.

Benefit Type *	Residential Owner or Tenant Occupant of 90 Days or More	Residential Tenant or Owner Occupant of 1-89 Days	Business or Nonprofit Owner Occupant	Business or Nonprofit Tenant Occupant
Relocation Assistance	YES Sec. 1	YES Sec. 1	YES Sec. 1	YES Sec. 1
Replacement Housing Supplement*	YES Sec. 3	NO	NO	NO
Reasonable Closing Costs	YES Sec.3	NO	NO	NO
Increased Mortgage Costs**	YES Sec.3	NO	YES Sec. 3	YES Sec. 3
Rent Supplement*	YES Sec. 3	YES	NO	NO
Down Payment Supplement*	YES Sec. 4	NO	NO	NO
Moving Costs	YES Sec. 7	YES Sec. 7	YES Sec. 8	YES Sec. 8
Limited Reimbursement for Attorney, Appraiser and Engineering Fees •	See • below	See • below	See • below	See • below

- * Specific eligibility requirements for each benefit listed in this table are explained in detail later in this booklet in the referenced Sections.
- * Residential Occupants can select only one of these payments as their eligibility allows. Your Relocation Advisor will review your benefits with you in detail.
- ** Increased Mortgage Cost entitlement is limited bona fide mortgage or other evidence of debt secured by the property that was a valid lien on the property for not less than 180 days prior to the initiation of negotiations for the acquisition
- This payment may be available and is discussed in Section Nine.

SECTION THREE

RESIDENTIAL OWNER-OCCUPANTS OF 90 DAYS OR MORE

1. ELIGIBILITY REQUIREMENTS (Replacement Housing Supplement)

In order to receive a replacement housing supplement payment, the following eligibility requirements must be met:

- a. You must have owned and occupied your dwelling for at least 90 consecutive days immediately prior to receipt of a written:

Notice of Intent to Acquire Letter (This notice is only given in extraordinary circumstances and, when given, is clearly marked “NOTICE OF INTENT TO ACQUIRE”); or

Fair Market Value Offer (Initiation of Negotiations); or

Advanced Notice of Move Date (This notice provides you with at least ninety days occupancy and is clearly marked “ADVANCE NOTICE OF MOVE DATE”).

- b. The Department acquires your dwelling.
- c. You must purchase and occupy a decent, safe and sanitary replacement dwelling within one year after the date you move from the acquired dwelling, or one year from the date you received final payment of the full acquisition cost of the acquired dwelling, whichever date is later.
- d. You must file a written application for payment within 18 months of the later of the two dates mentioned in c. above. Your relocation advisor will assist you to complete your application for payment on forms provided by the Department.

2. SUPPLEMENTAL BENEFIT OPTIONS

As an owner-occupant in this category, you may elect to receive one of the following three supplemental benefit options:

OPTION A: Replacement housing supplement payment. This benefit is explained in detail in this section.

OPTION B: Rent supplement payment. This benefit is briefly outlined later in this section and explained in detail in Section Four below.

OPTION C: Down payment supplement payment. This benefit is briefly outlined later in this section and explained in detail in Section Four below.

3. REPLACEMENT HOUSING SUPPLEMENT

The replacement housing supplement process is broken down into two phases: Phase 1 - the offer of supplemental benefits establishes your maximum payment eligibility. Phase 2 - the supplemental payment is computed based upon the replacement property that you chose to actually purchase. The payment will not exceed the amount of the offer.

All residential owner-occupants whose property is being acquired by the Department, who meet the eligibility requirement in paragraph one of this section, will be presented a replacement housing supplement offer. This offer is in addition to any amount offered for the purchase of your real estate.

State and federal law requires the Department to compute this replacement housing supplement offer using the following method:

- The Department must search the local real estate market for currently available properties similar to yours that meet certain minimum decent, safe and sanitary standards. These standards are detailed in Section Eleven.
- The Department will select the property which is the most comparable to yours from the pool of available housing. This determination of comparability is based upon such factors as gross living area, number of rooms, number of bedrooms, age, location etc.
- The fair market value of the residential use portion of your property (the portion of your property consisting of a normal size residential lot, dwelling and exterior attributes used for residential purposes) is then subtracted from the probable selling price of the comparable property. The difference is the amount of the replacement housing supplement offer.

Below is an example of a typical replacement housing computation:

Probable selling price of a comparable property	\$125,000
Fair market value of the residential use portion of your property	<u>-\$115,000</u>
Replacement housing supplement offer	<u>\$ 10,000</u>

a. Your Search for a Replacement Dwelling

While it is the Department's obligation to select the comparable dwelling and set the maximum amount of the replacement housing supplement payment, it is your responsibility to select the replacement property and determine where you will move. Until your replacement housing supplement has been approved and you receive a written supplemental offer, you should not enter into a contract to purchase a new home because you will not know the price range that you can afford.

If you wish, the Department will provide transportation for you to view possible replacement properties.

If you choose, you may search for a replacement dwelling entirely on your own.

However, most homes are bought and sold through local, licensed Realtors. You may use the services of a Realtor to find a replacement dwelling at no cost to you. The seller of a dwelling may pay for the Realtor's services by paying a commission at the time of sale.

The names and addresses of local Realtors can be found via the internet, in your local newspapers or phone book, or you may ask your relocation advisor to give you a list of Realtors. While your relocation advisor cannot act in the capacity of a Realtor, your advisor will answer any questions you have regarding the purchase of a replacement dwelling.

Also keep in mind that most dwellings sell for less than the asking price.

b. Decent, Safe and Sanitary Requirement

When you find a replacement dwelling that you wish to purchase, contact your relocation advisor to schedule a “decent, safe, and sanitary” inspection before you enter into a contract to purchase it. This is important because the replacement dwelling must meet decent, safe and sanitary standards before the Department is permitted to make a supplemental payment to you. See Section Eleven for a discussion of the decent, safe and sanitary standards and for information regarding a non-decent, safe and sanitary replacement dwelling.

c. Replacement Housing Payment

The replacement housing payment is computed by the Department using the “Spend to Get Rule”. This rule limits the amount of the supplemental payment to the difference between the cost of your replacement house and the fair market value payment for the residential use portion of the acquired property, but not more than the amount of the offer. The following examples illustrate how the replacement housing payment is computed for different situations:

(1) EXAMPLE 1

If you purchase a replacement property for more than the probable selling price of the comparable property used to compute your offer.

1. Probable selling price of a comparable property	\$125,000
2. Amount you paid for a replacement house	\$140,000
3. Fair market value of the residential use portion of your property	\$115,000

The computation is the lesser of 1 or 2 minus 3 equals amount of payment

1. Probable selling price of a comparable property	\$125,000
3. Fair market value of the residential use portion of your property	-\$115,000
AMOUNT OF PAYMENT	<u>\$ 10,000</u>

(2) EXAMPLE 2

If you purchase a replacement property for less than the probable selling price of the comparable property used to compute your offer.

1. Probable selling price of a comparable property	\$125,000
2. Amount you paid for a replacement house	\$120,000
3. Fair market value of the residential use portion of your property	\$115,000

The computation is the lesser of 1 or 2 minus 3 equals amount of payment

2. Amount you paid for a replacement house	\$120,000
3. Fair market value of the residential use portion of your property	<u>-\$115,000</u>
AMOUNT OF PAYMENT	<u>\$ 5,000</u>

The above are only examples of how the payment is determined. The actual amount of your offer and payment will be computed based upon the circumstances of your claim.

d. Additional Replacement Housing Supplemental Payments

(1) Closing Costs:

In addition to the replacement housing supplement payment, explained above, you are eligible for reimbursement of actual and reasonable costs incidental for the purchase of the replacement dwelling. Such costs may include the following items if reasonable and normally paid by the buyer:

- Legal, closing and related costs, including title search, preparing conveyance contracts, notary fees, surveys, preparing drawings or plats, and recording charges.
- A home inspection and termite inspection.
- Owner's title policy or abstract of title. This cost is limited by the price of the comparable dwelling or the price paid for the replacement property, whichever is less.
- Sales or transfer taxes. This cost is limited by the price of the comparable dwelling or the price paid for the replacement property, whichever is less.
- Escrow agent fees.
- Mortgage recording fees
- Mortgage Application and Appraisal Fees
- Mortgage Document Preparation Fees

The Department is not permitted to reimburse you for prepaid expenses such as homeowners insurance or real estate taxes paid on the replacement property.

(2) Increased Mortgage Costs

If you have a mortgage on the property being acquired by the Department and the mortgage is at least 180 days old, you may be eligible for an increased mortgage payment. In order to receive this payment you must actually purchase a new mortgage on the replacement property. This payment is broken into two parts: The Interest Costs and The Mortgage Related Costs.

- Interest Cost

The increased mortgage interest cost payment represents an amount of money which, if applied to the principle of the new mortgage, will result in your monthly payment for the new mortgage being the same as the monthly payment for the old mortgage.

In addition to the eligibility requirements listed at the beginning of this section, to qualify for the interest payment, the acquired dwelling must have been encumbered by a bona fide mortgage which was a valid lien on the dwelling for not less than 180 days prior to the date of the initiation of negotiations for the acquisition of the dwelling and the new mortgage must have a higher rate of interest than the old mortgage.

By law, there are limitations placed upon the increased mortgage interest computation, as follows:

The computation is based upon the lesser of the remaining balance of the old mortgage or the amount of the new mortgage, the lesser of the remaining term of the old mortgage or the term of the new mortgage and the interest rate of the new mortgage is limited to the prevailing rate of interest for similar loans in the project area.

- Mortgage Related Costs

Reasonable costs normally paid by the buyer may be paid by the Department even if the interest rate on your replacement mortgage is less than the rate on the acquired property, as follows:

- Applicable, purchaser points and/or loan origination fees may be reimbursed based upon the lesser of the remaining balance of the old mortgage or the amount of the new mortgage.

Please make copies of your old and new mortgages available to your relocation advisor so that the Department can determine your eligibility and compute a payment.

e. Owner Retention

Instead of purchasing a replacement dwelling you may retain and move your present dwelling onto another lot and use it as your replacement dwelling. Your replacement housing supplement payment would be computed in accordance with the previous section with the cost of the replacement dwelling being determined by adding together the costs associated with retaining, moving and setting up your dwelling at the new location.

Your relocation advisor will provide you with more specific details regarding eligible expenses, etc., upon your request.

4. **SUPPLEMENTAL OPTION B: RENT SUPPLEMENT PAYMENT**

Instead of purchasing a replacement dwelling, you may choose to rent replacement housing. If you do, you may be eligible to receive a rent supplement payment. Inform your relocation advisor if you wish to choose this option and an offer will be prepared for you. A complete discussion of the rent supplement is given in Section Four.

5. **SUPPLEMENTAL OPTION C: DOWN PAYMENT SUPPLEMENT PAYMENT**

Instead of selecting a replacement housing supplement, you may choose a down payment supplement if it yields a greater payment than you would receive if you chose a replacement housing supplement plus closing and increased mortgage interest costs. The down payment supplement offer is always \$7,200.

For example: If you purchase a replacement property for less than the amount of the acquisition cost of your present dwelling, the replacement housing supplement payment would be \$0. If the closing costs on the replacement are \$1,200 and the increased mortgage costs are \$2,500, your total payment under the replacement housing supplement option would be \$3,700.

If you actually spend more than \$3,700 on a down payment for the replacement property you would choose the down payment supplement option since it provides the greater payment.

Remember the down payment option is a “Spend to Get” payment. If you spend \$4,000 on a down payment you will be reimbursed \$4,000. If you actually spend \$8,000 on a down payment, you will be reimbursed \$7,200 since that is the amount of the offer.

Your relocation advisor will inform you when it is in your best interest to elect the down payment supplement. A complete discussion of the down payment supplement is given in Section Four below.

6. **MOVING COST PAYMENT** - See Section Seven

7. **APPRAISAL, ATTORNEY AND ENGINEERING FEES PAYMENT** - See Section Nine

8. **RELOCATION ADVISORY ASSISTANCE** - See Section Ten

SECTION FOUR
TENANT-OCCUPANTS OF 90 OR MORE DAYS AND
OWNER-OCCUPANTS OF 90 DAYS OR MORE ELECTING A
RENT SUPPLEMENT

1. ELIGIBILITY REQUIREMENTS (Down Payment Supplement)

To be eligible to receive the down payment supplement, you must meet the following requirements:

- a. You must have occupied your dwelling for at least 90 consecutive days immediately prior to receipt of a written:

Notice of Intent to Acquire Letter (This notice is only given in extraordinary circumstances and, when given, is clearly marked “NOTICE OF INTENT TO ACQUIRE”); or

Fair Market Value Offer (Initiation of Negotiations); or

Advanced Notice of Move Date (This notice provides you with at least ninety days occupancy and is clearly marked “ADVANCE NOTICE OF MOVE DATE”).

- b. The Department acquires your dwelling.
- c. You must purchase and occupy a decent, safe and sanitary replacement dwelling within one year after the date you move from the acquired dwelling or the date you receive final payment of the full acquisition cost of the acquired dwelling, whichever date is later.
- d. You must file a written application for payment within 18 months of the later of the two dates mentioned in c. above. Your relocation advisor will assist you to complete your application for payment on forms provided by the Department.

2. ELIGIBILITY REQUIREMENTS (Rent Supplement)

To be eligible to receive the rent supplement, you must meet the following requirements:

- a. You must have occupied your dwelling immediately prior to receipt of a written:

Notice of Intent to Acquire Letter (This notice is only given in extraordinary circumstances and, when given, is clearly marked “NOTICE OF INTENT TO ACQUIRE”); or

Advanced Notice of Move Date (This notice provides you with at least ninety days occupancy and is clearly marked “ADVANCE NOTICE OF MOVE DATE”).

- b. The Department acquires your dwelling.
- c. You must rent and occupy a decent, safe and sanitary replacement dwelling within one year after the date you move from the acquired.
- d. You must file a written application for payment within 18 months of the date in c. above. Your relocation advisor will assist you to complete your application for payment on forms provided by the Department.

3. **SUPPLEMENTAL HOUSING PAYMENT OPTIONS**

As an owner-occupant or a tenant-occupant of at least 90 days, you may elect to receive one of the following two supplemental housing payment options:

- OPTION A: Rent supplement payment.
- OPTION B: Down payment supplement payment.

You have the option of renting a replacement dwelling and taking a rent supplement payment or purchasing a replacement dwelling and taking a down payment supplement payment.

4. **RENT SUPPLEMENT**

All tenant occupants of property being acquired by the Department who meet the eligibility requirements in Paragraph 2 of this Section will be presented a rent supplement offer.

A rent supplement offer will be presented to 90-day owner-occupants upon request. Less than 90-day owner-occupants must be offered a rent supplement.

State and Federal Law requires the Department to compute the rent supplement offer based upon the following steps:

- Your relocation advisor will ask you for information regarding your current income. This information is very important in computing the rent supplement offer. The law requires the Department to compute the rent supplement offer for tenants based on the lesser of your rent plus utilities or, if your family qualifies as “low income” for your region according to HUD, 30% of your gross family income. It is in your best interest to provide this information if 30% of gross income is less than your rent plus utilities. You will be asked to provide evidence of your income. Usually, your federal income tax return is satisfactory.
The Examples below will demonstrate how the 30% of gross income is used to compute rent supplements.
- The Department must search the local real estate market for currently available rental properties similar to yours that meet certain minimum decent, safe and sanitary standards.

- The Department will select the property that is the most comparable to yours from the pool of available rental properties. This determination of comparability is based upon such factors as gross living area, number of rooms, number of bedrooms, age, location etc.
- The rent plus utilities of your property or, for low income families, 30% of your gross family income (whichever is less) is then subtracted from the rent plus utilities of the comparable property. The difference multiplied by 42 months is the amount of the rent supplement offer.

The following examples illustrate how the rent supplement offer is computed for different situations:

(1) Example 1 (Current rent is less than 30% of income):

1. Rent plus utilities of a comparable property	\$450.00
2. Rent plus utilities of your current property	\$350.00
3. 30% of your gross family income	\$400.00

The computation is number 1 minus the lesser of number 2 or number 3 times 42 equals amount of rent supplement offer

1. Rent plus utilities of a comparable property	\$ 450.00
2. MINUS: Current rent plus utilities of your property	- \$ 350.00
	\$ 100.00
TIMES 42 Months	<u>X 42</u>
Rent Supplement Offer Amount	<u>\$4,200.00</u>

(2) Example 2 (30% of income is less than Current rent and the family qualifies as “low income” for the region according to HUD):

1. Rent plus utilities of a comparable property	\$ 450.00
2. Rent plus utilities of your current property	\$ 350.00
3. 30% of your gross family income	\$ 300.00

The computation is number 1 minus the lesser of number 2 or number 3 times 42 equals amount of rent supplement offer

1. Rent plus utilities of a comparable property	\$ 450.00
3. MINUS: 30% of gross income	- \$ 300.00
	\$ 150.00
TIMES 42 Months	<u>X 42</u>
Rent Supplement Offer Amount	<u>\$6,300.00</u>

You will be presented with a written supplemental offer that will specify the amounts and comparable properties used to compute the offer.

- a. Your Search for a Replacement Dwelling

While it is the Department's obligation to select the comparable dwelling and set the maximum amount of the payment, it is your responsibility to select the replacement dwelling and determine where you will move. If you wish, the Department will provide transportation for you to view possible replacement properties.

b. Decent, Safe and Sanitary Requirement

When you find a replacement dwelling that you wish to rent, inform your relocation advisor before you enter into a lease agreement. This is important because the replacement dwelling must meet the decent, safe and sanitary standards or the Department cannot make a rent supplement payment to you. See Section Eleven for a discussion of the decent, safe and sanitary standards and for information regarding a non-decent, safe and sanitary replacement dwelling.

c. Rent Supplement Payment

Once the rent supplement offer is presented, you will know how much you can spend to rent a replacement dwelling without incurring additional rental expenses for 42 months. In the two examples above, if you spend \$450 rent plus utilities on a replacement property you will not incur additional rental expenses. The supplement pays the difference between your current rent and the new rent for 42 months.

The rent supplement payment is computed by the Department using the “Spend to Get Rule”. This rule limits the amount of the supplemental payment to the difference between the rent plus utilities of your replacement property and the lesser of rent plus utilities of acquired property or 30% of your gross family income (for low income families), but not more than the amount of the offer. The following examples illustrate how the rent supplement payment is computed for 4 different situations.

(1) Example 1 (Current rent is less than 30% of income and comparable rent is less than replacement rent):

1. Rent plus utilities of a comparable property	\$450.00
2. Rent plus utilities of replacement property	\$500.00
3. Rent plus utilities of your current property	\$350.00
4. 30% of your gross family income	\$400.00

The computation is the lesser of number 1 or number 2 minus the lesser of number 3 or number 4 times 42 equals amount of rent supplement payment.

1. Rent plus utilities of a comparable property	\$ 450.00
3. MINUS: Current rent plus utilities of your property	<u>-\$ 350.00</u>
	\$ 100.00
TIMES 42 Months	<u>X 42</u>
Rent Supplement Payment Amount	<u>\$4,200.00</u>

(2) Example 2 (Current rent is less than 30% of income and replacement rent is less

than the comparable rent):

1. Rent plus utilities of a comparable property	\$450.00
2. Rent plus utilities of replacement property	\$440.00
3. Rent plus utilities of your current property	\$350.00
4. 30% of your gross family income	\$400.00

The computation is the lesser of number 1 or number 2 minus the lesser of number 3 or number 4 times 42 equals amount of rent supplement payment.

2. Rent plus utilities of replacement property	\$ 440.00
3. MINUS: Current rent plus utilities of your property	<u>-\$ 350.00</u>
	\$ 90.00
TIMES 42 Months	<u>X 42</u>
Rent Supplement Payment Amount	<u>\$3,780.00</u>

(3) Example 3 (30% of income is less than Current rent and replacement rent is less than the comparable rent and family qualifies as “low income” according to HUD):

1. Rent plus utilities of a comparable property	\$450.00
2. Rent plus utilities of replacement property	\$440.00
3. Rent plus utilities of your current property	\$350.00
4. 30% of your gross family income	\$330.00

The computation is the lesser of number 1 or number 2 minus the lesser of number 3 or number 4 times 42 equals amount of rent supplement payment.

2. Rent plus utilities of replacement property	\$ 440.00
4. MINUS: 30% of your gross family income	<u>-\$ 330.00</u>
	\$ 110.00
TIMES 42 Months	<u>X 42</u>
Rent Supplement Payment Amount	<u>\$4,620.00</u>

(4) Example 4 (30% of income is less than Current rent and comparable rent is less than the replacement rent, but family does not qualify as “low income” according to HUD):

1. Rent plus utilities of a comparable property	\$450.00
2. Rent plus utilities of replacement property	\$500.00
3. Rent plus utilities of your current property	\$350.00
4. 30% of your gross family income	\$325.00

The computation is the lesser of number 1 or number 2 minus number 3 times 42 equals amount of rent supplement payment.

1. Rent plus utilities of comparable property	\$ 450.00
4. MINUS: Rent plus utilities of your current property*	<u>\$ 350.00</u>
	\$ 100.00

TIMES 42 Months

Rent Supplement Payment Amount

X 42
\$4,200.00

* Note: Although 30% of gross family income was lower, it cannot be used if the family does not qualify as “low income” according to HUD.

- d. Utilities - Any adjustments for Utilities (electricity, gas, other heating and cooking fuels, water and sewer) will be explained by your relocation advisor.
- e. The rent supplement is a lump sum payment. It will be made as soon as possible after you have moved into a decent, safe and sanitary replacement dwelling.

5. DOWN PAYMENT SUPPLEMENT

- a. The down payment supplement is an amount of money that you may use to make a down payment and pay closing costs on the purchase of a decent, safe and sanitary replacement dwelling.
- b. Down Payment Supplement Offer is fixed at \$7,200 and is not based upon a comparable dwelling.
- c. Your Search for a Replacement Dwelling

While it is the Department's obligation to set the maximum amount of the payment, it is your responsibility to select the replacement dwelling and determine where you will move. If you wish, the Department will provide transportation for you to view possible replacement properties.

If you choose, you may search for a replacement dwelling entirely on your own, however, most homes are bought and sold through local licensed Realtors. You may use the services of a Realtor to find a replacement dwelling at no cost to you. The seller of a dwelling pays for the Realtor's services by paying a commission at the time of sale.

The names and addresses of local Realtors can be found via the internet, local newspaper(s) or phone book, or you may ask your relocation advisor to give you a list of Realtors. While your relocation advisor cannot act in the capacity of a Realtor, your advisor will answer any questions you have regarding the purchase of a replacement dwelling.

Also keep in mind that most dwellings sell for less than the asking price.

- d. Decent, Safe and Sanitary Requirement

When you find a replacement dwelling to purchase, inform your relocation advisor before you enter into a contract to purchase it.

This is important because the replacement dwelling must meet the decent, safe and sanitary standards or the Department cannot make a rent supplement payment to you. See Section Eleven for a discussion of the decent, safe and sanitary standards and for information regarding a non-decent, safe and sanitary replacement dwelling.

e. Down payment supplemental payment

Since you know the amount of the Department's offer, you know how much you can spend toward a down payment and closing costs on a replacement dwelling.

The full amount of the down payment supplement payment must be applied toward the purchase of and closing costs on the replacement dwelling. The settlement statement must show that an amount equal to or greater than the amount of the Department's payment was actually paid by you or paid by the Department on your behalf.

6. **MOVING COST PAYMENT** - See Section Seven

7. **APPRAISAL, ATTORNEY AND ENGINEERING FEES PAYMENT** - See Section Nine

8. **RELOCATION ADVISORY ASSISTANCE** - See Section Ten

SECTION FIVE
RESIDENTIAL OWNER-OCCUPANTS AND
TENANT-OCCUPANTS OF LESS THAN 90 DAYS

As a residential owner or tenant who has occupied a dwelling to be acquired by the Department for less than 90 days prior to receipt from the Department of a Notice of Intent to Acquire Letter (This notice is only given in extraordinary circumstances and, when given, is clearly marked “NOTICE OF INTENT TO ACQUIRE”), the written Fair Market Value Offer (Initiation of Negotiation) for the acquisition of that dwelling, or the Advanced Notice of Move Date (This notice provides you with at least ninety days occupancy and is clearly marked “ADVANCE NOTICE OF MOVE DATE”), you may be eligible to receive:

1. **RENT SUPPLEMENT** - See Section Four.

2. **MOVING COST PAYMENT** - See Section Seven.

3. **APPRAISAL, ENGINEERING AND ATTORNEY FEES PAYMENT** - See Section Nine.

4. **RELOCATION ADVISORY ASSISTANCE** - See Section Ten.

SECTION SIX MOBILE HOMES

1. ELIGIBILITY

The occupancy status of the occupant(s) of a mobile home is determined by:

- a. Whether you own or rent the mobile home.
- c. Whether you own or rent the mobile home site.
- d. The occupancy requirements shall be calculated on the basis of the time that you have occupied the mobile home on the site from which you are displaced immediately prior to the receipt of a written:

Notice of Intent to Acquire Letter (This notice is only given in extraordinary circumstances and, when given, is clearly marked “NOTICE OF INTENT TO ACQUIRE”); or

Fair Market Value Offer (Initiation of Negotiations); or

Advanced Notice of Move Date (This notice provides you with at least ninety days occupancy and is clearly marked “ADVANCE NOTICE OF MOVE DATE”).

2. PAYMENT DETERMINATIONS

Supplemental benefits for mobile home occupants are similar to those explained in Sections Three and Four; however, because of the number of different situations which are possible with regard to mobile home payment determinations, your relocation advisor will explain the supplemental payments. A complete discussion of the various supplemental options is given in Sections Three and Four. You will be advised which options are available to you.

The table below is a guide for each category of mobile home occupancy. To use this table, find the occupancy type that best describes your situation and read down the column to determine your eligibility for benefits. All of the benefits included on this table are explained in detail in this booklet.

Benefit Type*	Owner Occupant of Mobile Home and site	Owner Occupant of Mobile Home Rent Site	Tenant Occupant of Mobile Home and Rent Site	Mobile Home is Personal Property and can be moved
Relocation Assistance	YES Sec. 1	YES Sec. 1	YES Sec. 1	YES Sec. 1
Replacement Housing Supplement*	YES Sec. 3	YES Sec. 4	NO	NO
Reasonable Closing Costs	YES Sec. 3	YES Sec. 4	NO	NO
Increased Mortgage Costs**	YES Sec. 3	YES Sec. 4	NO	NO
Rent Supplement*	YES Sec. 4	YES Sec. 4	YES Sec. 4	NO
Down Payment Supplement*	YES Sec. 4	YES Sec. 4	YES Sec. 4	NO
Moving Costs	YES Sec. 7	YES Sec. 7	YES Sec. 7	YES Sec. 8
Limited Reimbursement for Attorney, Appraiser and Engineering Fees	See • below	See • below	See • below	See • below

- * Specific eligibility requirements for each benefit listed in this table are explained in detail in this booklet in the referenced Sections.
- * Your Relocation Advisor will provide specific information as to your eligibility for relocation benefits.
- ** Increased Mortgage Cost entitlement is limited bona fide mortgage or other evidence of debt secured by the property that was a valid lien on the property for not less than 180 days prior to the initiation of negotiations for the acquisition
- This payment may be available and is discussed in Section Nine.

In addition to supplemental benefits, you may also be eligible to receive:

3. **MOVING COST PAYMENT** - See Section Seven.

4. **APPRAISAL, ENGINEERING AND ATTORNEY FEES PAYMENT** - See Section Nine.

5. **RELOCATION ADVISORY ASSISTANCE** - see Section Ten.

SECTION SEVEN RESIDENTIAL MOVING COST PAYMENT

1. ELIGIBILITY REQUIREMENTS

As a displaced residential occupant you are eligible to receive a payment for the actual reasonable expenses necessary to move yourself and your personal property from the acquired dwelling to your replacement dwelling provided:

- a. You were legally occupying the acquired dwelling at the time the Department issued a written:

Notice of Intent to Acquire Letter (This notice is only given in extraordinary circumstances and, when given, is clearly marked “NOTICE OF INTENT TO ACQUIRE”); or

Fair Market Value Offer (Initiation of Negotiations); or

Advanced Notice of Move Date (This notice provides you with at least ninety days occupancy and is clearly marked “ADVANCE NOTICE OF MOVE DATE”).

- b. You file a written application for payment within 18 months of the later of:

The date you actually move from the acquired dwelling; or

If an owner-occupant, the date you receive final payment of the full acquisition cost of the acquired property.

Your relocation advisor will assist you to complete your application for payment on forms provided by the Department.

2. MOVING COST OPTIONS

As a displaced residential occupant you may elect to receive one of the following three moving cost options:

OPTION 1: Fixed Schedule and Dislocation Allowance

OPTION 2: Actual Cost Commercial Move

OPTION 3: Combination of the above options

3. OPTION 1: FIXED SCHEDULE MOVE

- a. You may choose to receive a moving cost payment and dislocation allowance based upon the fixed schedule option only if you are the residential owner or tenant-occupant who is being displaced from your place of residence.

Your relocation advisor will inform you of the amount to which you are entitled.

- b. This payment is made directly to you as soon as the property being acquired by the Department is vacated. Use of the fixed schedule enables you to perform a self-move. The fixed schedule is intended to cover all costs associated with the move, including such things as telephone and television disconnection and reconnection fees, packing, unpacking, etc. If this moving option is selected no additional moving payments will be made. The current schedule is as follows:

Number of Adequately Furnished rooms ★	Residential property where the furniture is owned by the person being relocated	Residential property where the furniture is not owned by the person being relocated
1	\$500	\$400
2	\$750	\$470
3	\$1,000	\$540
4	\$1,200	\$610
5	\$1,400	\$680
6	\$1,600	\$750
Each Additional Room	Add \$200	Add \$70

Persons occupying dormitory style housing with minimum possessions are eligible to receive a fixed schedule move and dislocation allowance payment of \$100.00.

- ★ The total number of rooms will be determined by your relocation advisor. Adequately furnished means a minimum of furnishings to accomplish the purpose for which the room is used. For example a bedroom with only a bare mattress could not be considered as a furnished room. Bathrooms are not counted as rooms.

- c. To receive your payment:
 - (1) Inform your relocation advisor of the date and time of the move.
 - (2) Upon completion of the move, sign the application for payment form which will be provided to you.

4. **OPTION 2: ACTUAL-COST MOVE USING A COMMERCIAL MOVER**

- a. The following items, when approved and actually incurred, are reimbursable:

The cost of packing, transporting (limited to 50 miles), and unpacking personal property, including campers, movable swimming pools, boats, etc.

The cost of disconnecting and reconnecting certain equipment regarded as personal property (such as washing machines, computers, etc.).

The cost of traveling from the acquired property to the replacement property, but not to exceed the actual cost of commercial transportation, including special services such as ambulance service, up to the 50 mile limit.

If determined necessary and approved by the Department in advance of the move, the cost of storing personal property for up to 12 months.

The cost of meals and temporary lodging if determined necessary and approved by the Department in advance of the move.

The cost of insurance premiums covering loss and damage of personal property while in transit or storage not to exceed the reasonable replacement value of the property or the amount of coverage presently carried as part of a homeowner's or tenant's contents policy. When insurance is not available, the reasonable replacement value of property lost, stolen or damaged (not caused by the fault or negligence of the displaced person, the displaced person's agent or employee) in the process of moving.

For mobile homes, the reasonable cost of repairs and/or modifications so that a mobile home can be moved or made decent, safe, and sanitary.

The cost of a non-refundable mobile home park entrance fee, limited by the amount of the fee at a comparable mobile home park.

- b. Reimbursable costs are not limited to the above items. Any reasonable cost necessary to move yourself and your personal belongings to a replacement dwelling will be paid if it is approved in advance by the Department.

- c. To receive your payment:

(1) Obtain one moving cost estimate from a local mover regularly engaged in residential moving. While your relocation advisor cannot recommend specific movers, a list of movers will be provided to you upon request. If you are unable to secure an estimate or if a mover asks for an estimate fee, inform your relocation advisor.

(2) Submit the estimate to your relocation advisor for review and approval.

(3) Once informed that the estimate is approved, make arrangements with the mover to

actually perform the move. Inform your relocation advisor of the date and time of the move.

(4) Upon completion of the move, give your final moving bill and the receipted bills for any other pre-approved costs to your relocation advisor and sign the application for payment form which will be provided to you. Since moving costs must be actual and reasonable, if there are differences between estimated and actual amounts, those differences must be reconciled prior to payment.

5. **OPTION 3: COMBINATION OF FIXED SCHEDULE AND ACTUAL COST MOVE**

You may choose to move some rooms yourself and hire a commercial mover to move other rooms. Because the fixed schedule is based on moving entire rooms, any combination payment must be based on entire rooms, not specific items. Consult your relocation advisor in advance if you anticipate using this option.

6. **MOVING COST LIMITATIONS**

The following information regarding moving costs applies to all moves, whether they are fixed schedule, actual cost, or a combination.

- a. Moving costs are reimbursed for moves up to 50 miles from the acquired dwelling. Costs incurred for moving more than 50 miles are your responsibility.
- b. Ordinarily, the Department will not pay for more than one move.
- c. Moving cost payments are made after the move has been completed, however, an application may be prepared and submitted to the Department in advance of the move.
- d. The cost to move a retained dwelling, or any other structure determined to be real estate prior to the move, is not a reimbursable moving cost. However, if you retain your dwelling and choose to use it as a means of moving personal belongings and furnishings, a moving cost payment based on the Fixed-Payment Schedule may be made.
- e. The following items are not reimbursable as moving costs:
 - Additional expense incurred because of living in a new location.
 - Cost of moving structures, fixtures and similar improvements or other items of real property.
 - Improvements to the replacement real property.
 - Interest on loans to cover moving expenses.

- Personal injury.
- Modification of personal property to adapt it to the replacement site.
- Cost of preparing the application for payment of moving costs. (Your relocation advisor will assist with the application form).

SECTION EIGHT

BUSINESSES, FARMS, AND NONPROFIT ORGANIZATIONS

Relocation payments and eligibility requirements are similar for businesses, farms and nonprofit organizations. Therefore, for the purposes of this Section, reference will be made to "businesses," in a general sense, and will be assumed to include farms and nonprofit organizations unless otherwise specifically stated.

1. ELIGIBILITY REQUIREMENTS

A business may be eligible to receive relocation payments if the following requirements are met:

- a. The business is in occupancy on the date that it receives a written:

Notice of Intent to Acquire Letter (This notice is only given in extraordinary circumstances and, when given, is clearly marked "NOTICE OF INTENT TO ACQUIRE"); or

Fair Market Value Offer (Initiation of Negotiations); or

Advanced Notice of Move Date (This notice provides you with at least ninety days occupancy and is clearly marked "ADVANCE NOTICE OF MOVE DATE").

- b. The business is subsequently acquired.

- c. The business files a written application for payment within eighteen (18) months after the later of either:

- The date the business actually moves from the acquired property; or,
- If an owner-occupant, the date the business receives final payment of the full acquisition cost of the property.

Your relocation advisor will assist you to complete your application for payment on forms provided by the Department.

- d. Additional eligibility requirements, as they apply to the specific relocation payments, are discussed below.

2. CATEGORIES OF DISPLACED BUSINESSES

A displaced business owner who also owns the acquired real property will receive relocation payments in addition to the fair market value payment for the real property.

A displaced business owner who is a tenant of the owner of the acquired real property but who

owns tenant - owned improvements, will receive relocation payments in addition to the fair market value payment for the tenant - owned improvements.

A displaced business owner who is a tenant of the owner of the acquired real property and who does not own any tenant - owned improvements will receive relocation payments.

An absentee owner of the acquired real property who rents the real property to a business owner will receive relocation payments in addition to the fair market value payment for the real property.

An absentee owner of the acquired real property who rents the real property to a residential occupant will receive some but not all relocation payments in addition to the fair market value payment for the real property.

3. **STANDARD ACQUISITION OR ASSEMBLED ECONOMIC UNIT DOCTRINE**

The Assembled Economic Unit Doctrine **DOES** Apply when:

- All or a portion of the machinery, equipment and fixtures are **NOT** removable without significant injury to them so that the economic unit cannot be continued as a comparable economic unit at a new location, or;
- The real estate (land, buildings/improvements or both) is unique because of the nature of the business and no other real estate within a reasonable distance is available or adaptable to the function of the business.

The Assembled Economic Unit Doctrine **DOES NOT** Apply when:

- All or most of the machinery, equipment and fixtures are removable without significant injury to them so that the economic unit can be continued as a comparable economic unit at a new location, or;
- All or most of the machinery, equipment and fixtures are removable without significant injury to them so that the economic unit can be continued as a comparable economic unit at a new location, and the claimant chooses not to move.

The determination as to whether the business will be acquired using the standard methods or the assembled economic unit doctrine is made by the Department during the appraisal process.

If the Assembled Economic Unit Doctrine applies, in addition to the real property, all personal property, portable machinery and equipment (excluding Goods Held for Sale) are included in the fair market value offer and treated as real estate. You will be given the opportunity to retain items of real estate (including items of personal property, etc. since the Assembled Economic Unit Doctrine applies). You may retain items included in the fair market value by giving a list of those items to your relocation advisor within 30 days of the date of the fair market value offer. The fair market value payment will be reduced by the amount of the

retention value (or you may make a direct payment to the Department). You must move the retained item(s) at your own expense.

If the Assembled Economic Unit Doctrine does not apply, the fair market value offer will include only those items normally considered to be real estate and will exclude items of personal property. You may retain items of real property, pay the retention value and move the item at your expense.

As an owner of a business to be acquired by the Department of Transportation, you are eligible to receive relocation benefits. The table below is a guide for each category of business. This table is split into two parts – business acquired using the standard procedures and business acquired under the assembled economic unit doctrine. To use this table, find the business type that best describes your situation and read down the column to determine your eligibility for benefits. All of the benefits included on this table are explained in detail later in this booklet.

Benefit Types	Standard Procedures			Assembled Economic Unit Doctrine		
	Tenant Occupant	Owner Occupant	Absentee Owner	Tenant Occupant	Owner Occupant	Absentee Owner
Relocation Advisory Assistance	YES Sec.1	YES Sec.1	YES Sec.1	YES Sec.1	YES Sec.1	YES Sec.1
Actual Reasonable Moving Expenses	YES	YES	YES	NO	NO	NO
Reestablishment Expense	YES	YES	NO	YES	YES	NO
Personal Property Loss (Machinery and Equip)	YES	YES	YES	NO	NO	NO
Personal Property Loss (Goods Held for Sale)	YES	YES	NO	YES	YES	NO
Search Costs	YES Sec. 8	YES Sec. 8	YES Sec. 8	YES Sec. 8	YES Sec. 8	YES Sec. 8
Business Dislocation Damages	YES	YES	NO*	YES	YES	NO*
Increased Mortgage Costs**	YES	YES	YES	YES	YES	YES
Reimbursement for Appraisal, Engineering, Attorney fees	See • below	See • below	See • below	See • below	See • below	See • below

- * Certain Absentee Owners may, on a case by case basis, be eligible for this payment.
- ** Increased Mortgage Cost entitlement is limited bona fide mortgage or other evidence of debt secured by the property that was a valid lien on the property for not less than 180 days prior to the initiation of negotiations for the acquisition
- This payment may be available and is discussed in Section Nine.

In order to qualify, you must meet the general eligibility requirements found in Paragraph One

of this Section and the specific eligibility requirements discussed below. In order to determine your eligibility, your relocation advisor will request that you provide the Department with specific information and take specific actions discussed below. Please cooperate with the advisor's requests so that you can establish your eligibility and that we can provide you with the payment(s) to which you are entitled.

4. **ACTUAL, REASONABLE MOVING AND RELATED EXPENSE PAYMENT**

This payment is provided to reimburse you for the costs of moving personal property to the replacement site.

There is no limit on the amount of this payment, but all costs must be actual and reasonable as determined by the Department. Your relocation advisor will secure moving cost estimates from commercial movers located in your area.

This payment is not made if your business was acquired using the Assembled Economic Unit Doctrine since all items are acquired as real estate and may only be retained and moved at your expense (See 3. above).

Items eligible for reimbursement include: Transportation costs for moving the personal property up to 50 miles; packing, crating, unpacking, uncrating; disconnecting dismantling, removing, reassembling and reinstating personal property including connection to nearby utilities; modification of the personal property to adapt it to the replacement site and modifications to the utilities at the replacement site to adapt them to the personal property, including expenses for providing utilities from the right-of-way to the building or improvements; storage costs not to exceed 12 months with prior Department approval; insurance for the replacement value of personal property in connection with the move and storage, or if insurance is not available, the replacement value of property lost, stolen or damaged not caused by you, your agent or employee; any license, permit or certification required at the replacement location (except liquor licenses) based upon the remaining useful life of the existing license, etc.; professional services for planning the move of, moving and installing personal property at the new location; the cost of re-lettering signs and the cost of replacing stationary on hand at the time of the move that is made obsolete by the acquisition; professional services in connection with the purchase or lease of a replacement site; feasibility surveys, soil testing and marketing studies; and impact fees or one time assessments for anticipated heavy utility usage.

Items ineligible for reimbursement include: Additional operating expenses; cost of moving structures, improvements or other items of real property retained; physical changes to the replacement real property; interest on loans to cover moving expenses; loss of goodwill, trained and/or skilled employees or profits and personal injury.

You must allow the Department reasonable advance notice of the date and time of the move and prepare a pre-move certified inventory of all items of personal property broken down into two categories; those items that will be and those items that will not be moved. Your relocation advisor will assist you in the preparation of the inventories. The inventory will be used as a basis for the moving cost estimates that will be secured by the Department as well as

a basis for the personal property loss payment (See C. below).

After securing and reviewing the moving estimates, the Department will advise you of the approved amount of the move. This amount usually includes only those items such as transportation, packing and disconnecting, etc. Other eligible moving costs are added on at the conclusion of the move.

If you want to have the move done by a commercial mover, hire one, make arrangements for the move and advise the Department of the date and time the move will take place. Upon completion of the move, a payment will be made to you based upon receipted bills. It is your responsibility to pay the mover; however, the payment may be made directly to the mover if you direct the Department to do so when you sign the payment form.

If you want to perform a self-move, tell your relocation advisor and, after reviewing the moving estimates, the advisor will contact you to negotiate a mutually satisfactory amount. When an agreement is reached, you must furnish a letter agreeing to move for the negotiated amount. After the move is complete, the negotiated amount may be paid directly to you without further documentation.

You may also move some items yourself and hire a commercial mover for the remaining items. However, it is important to consult your relocation advisor in advance to prepare a pre-move inventory of those items to be moved by you, those items that will be moved by a commercial mover, and those items that will not be moved. The approval of commercial moving cost estimates and negotiated payments for your self-move will be handled in the same manner as above.

5. BUSINESS REESTABLISHMENT EXPENSE PAYMENT - MAXIMUM \$25,000.00

If you relocate and reestablish your business, this payment can be made to reimburse you for costs that are not reimbursable under the actual, reasonable moving and related expense payment (See 4. above).

This payment may be made whether or not your business was acquired using the Assembled Economic Unit Doctrine (See 3. above).

There is a \$25,000 limit on this payment.

In addition to the general eligibility requirements found in Paragraph One of this Section, to be eligible for this payment your business must be classified as a small business. A small business is one having at least 1 but not more than 500 employees working at the site being acquired or displaced by a program or project. Also, your business must be reestablished at a new site, you must actually incur the expenses and verify them with copies of receipted bills, etc. and the expenses must be reasonable and necessary as determined by the Department.

A dislocated business that is a part-time business in the home which does not contribute materially to the household income is not eligible for this payment.

Items eligible for reimbursement include: Repairs or improvements to the replacement real property as required by Federal, State or local law, code or ordinance; modifications to the replacement real property to accommodate the business operation or make replacement structures suitable for conducting the business; construction and installation costs for exterior signing to advertise the business; redecoration or replacement of soiled or worn surfaces at the replacement site such as paint, paneling and carpeting; licenses, fees and permits when not paid as part of the moving expense payment; advertisement of the replacement location; and increased costs of operation during the first two years at the replacement site for such items as lease or rental charges, personal or real property taxes, insurance premiums and utility charges, excluding impact fees.

Items ineligible for reimbursement include: Purchase of capital assets such as office furniture, filing cabinets, machinery or trade fixtures; purchase of manufacturing materials, production supplies, product inventory or other items used in the normal course of the business operation; interior or exterior refurbishment at the replacement site which are for aesthetic purposes; interest on money borrowed to make the move or purchase the replacement property.

6. **PERSONAL PROPERTY LOSS PAYMENT**

This payment is made to pay you for those items of personal property that you leave behind after you vacate the acquired property and that were not previously included and paid for as part of the fair market value.

The payment for the items of personal property (excluding goods held for sale) is based upon the value in place of those items. This payment is not made if your business was acquired using the Assembled Economic Unit Doctrine since all items (excluding goods held for sale) are acquired as real estate and payment for those items was included in the fair market value offer.

The value in place of items of inventory (goods held for sale) is based upon the cost that you paid for the items as documented by copies of invoices showing the purchase price. This payment may be made whether or not your business was acquired using the Assembled Economic Unit Doctrine.

Items acquired become the property of the Department.

Please inform your relocation advisor of those items you wish to leave behind as soon as possible so that a determination of value can be made.

7. **SEARCHING COST PAYMENT – MAXIMUM \$2,500.00**

You may be reimbursed for the actual, reasonable costs incurred while searching for a replacement site.

This payment may be made whether or not your business was acquired using the Assembled Economic Unit Doctrine.

Eligible expenses include transportation, meals and lodging away from home, time spent in search, based on a reasonable salary (for non-profit organizations only paid employees are eligible) or earnings and 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).

All expenses claimed must be supported by receipted bills except for transportation and time spent in search that must be supported by a certified statement.

8. **BUSINESS DISLOCATION DAMAGES PAYMENT**

- a. If determined to be eligible, the payment cannot be less than \$3,000.00 or more than \$60,000.00.

This payment may be made whether or not your business was acquired using the Assembled Economic Unit Doctrine.

- b. Businesses - To be eligible it must be shown that:

There is personal property that must be moved and the business vacates or relocates from the acquired site.

The business contributed materially to the income of the displaced person during the 2 taxable years prior to displacement.

The business cannot be relocated without a substantial loss of existing patronage (clientele or net earnings).

The business is not a part of a chain operation.

A business that is conducted at an acquired dwelling or site solely for the purpose of renting such dwelling or site to others is not eligible.

- c. Farms - In the case of a partial acquisition, to be eligible it must be shown that:

The acquisition caused the operator to be displaced from the farm operation on unacquired, remaining land, or

The partial acquisition caused a substantial change in the nature of the farm operation.

- d. A payment to a business or farm will be based upon the average annual net earnings as shown on Federal, State and local income tax returns for the two years prior to the taxable year of displacement. Please provide your relocation advisor with copies of your tax returns as soon as possible so that your advisor can determine your eligibility and the amount of a payment under this option.
- e. Non-profit organizations - To be eligible it must be shown that it cannot be relocated without a substantial loss of existing patronage (membership or clientele).

A payment to a non-profit organization in excess of \$3,000 must be supported with financial statements for the two 12-month periods prior to acquisition. The payment will be based upon the 2-year average of annual gross revenues less administrative expenses. Gross revenues include membership fees, class fees, cash donations, and tithes, 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 the administrative expenses.

- f. A payment under this option will not be made until after the acquired property is vacated and any personal property is moved from the property or sold to the Department.

9. APPRAISAL, ENGINEERING AND ATTORNEY FEES PAYMENT

This payment may be available and is discussed in Section Nine.

10. INCREASED MORTGAGE PAYMENT

In addition to the eligibility requirements in paragraph one of this section, to qualify for this payment, the acquired business must have been encumbered by a bona fide mortgage which was a valid lien on the business for not less than 180 days prior to the date of the initiation of negotiations for the acquisition of the business.

This payment is explained in Section Three, Paragraph 3.d.(2).

SECTION NINE APPRAISAL, ENGINEERING AND ATTORNEY FEES

This payment is provided to property owners as an opportunity to obtain an independent review of our offers. The Department will reimburse a property owner up to \$4,000.00 for the actual, reasonable expenses incurred for appraisal, engineering and/or legal services.

Reimbursement for the combined total of these fees cannot exceed \$4,000.00 per property and must be supported by itemized, receipted bills from the appraiser, engineer and/or attorney selected.

To receive payment:

Services by an appraiser, attorney and/or engineer must be paid and the bill(s) for such service(s) provided to the Department. The receipted bill(s) presented to the relocation advisor are accompanied with an application for payment form provided to and signed by the property owner.

SECTION TEN

DECENT, SAFE AND SANITARY STANDARDS

1. A DECENT, SAFE AND SANITARY DWELLING IS:

- a. **HOUSING** - Conforms with all applicable provisions for existing structures that have been established under state or local building, plumbing, electrical, housing and occupancy codes and similar ordinances or regulations.
- b. **WATER** - Has a continuing and adequate supply of potable water.
- c. **KITCHEN** - Has a kitchen or an area set aside for kitchen use which contains a sink in good working condition and connected to hot and cold water, and an adequate sewage system. The kitchen area or area set aside for such use shall have utility service connections and adequate space for the installation of such facilities.
- d. **HEAT** - Has a heating system capable of sustaining a healthful temperature of approximately 70 degrees.
- e. **BATHROOM** - Has a separate, well lighted and ventilated bathroom that provides privacy to the user, containing a sink, bathtub or stall shower, and a toilet, all in good working order and properly connected to a sewage disposal system.
- f. **ELECTRIC** - Has an adequate and safe wiring system for lighting and other electrical services.
- g. **STRUCTURE** - Structurally sound, weather tight and in good repair.
- h. **EGRESS** - Contains unobstructed egress to safe, open space at ground level. If the dwelling unit is on the second story or above, with access through a common corridor, The common corridor on each story must have at least two means of egress.
- i. **AREA** - Adequate in size with respect to the number of rooms and gross living area needed to accommodate the displaced person. "Gross living area" is defined as the area of finished, above grade residential space excluding unheated areas such as porches and balconies; the standard measure for determining the amount of space in residential properties.
- j. **DISABLED** - Free of barriers which would preclude reasonable ingress, egress or use of the dwelling by a displaced person who has a disability.

The standards for decent, safe and sanitary housing, as applied to a rented sleeping room, shall include the minimum requirements contained in paragraphs a, d, f, g, h and i and have a lavatory, bath and toilet facilities that provide privacy including a door that can be locked, if such facilities are separate from the sleeping room.

2. **PURPOSE OF THE DECENT, SAFE AND SANITARY INSPECTION**

The decent, safe and sanitary inspection of the replacement dwelling is conducted solely for the purpose of determining eligibility for a supplemental payment. **Approval of the replacement dwelling as decent, safe and sanitary by the Department does not warrant or guarantee the condition of the replacement property.**

3. **NON-DECENT, SAFE AND SANITARY REPLACEMENT DWELLING**

If the replacement dwelling does not meet decent, safe and sanitary standards the Department **cannot** give you a supplemental payment. You will, however, receive other payments to which you are entitled. Therefore, have your replacement dwelling inspected by the Department before you make a commitment to purchase or rent it.

If you purchase a non-decent, safe and sanitary replacement dwelling, the Department will inform you of the repairs necessary to bring the dwelling up to standards. Once the repairs are made and the Department determines that the dwelling meets the standards, the supplemental payment can be made.

The cost of necessary decent, safe and sanitary repairs is your responsibility. The cost can be added to the purchase price of the replacement dwelling when computing the amount of a supplemental payment. However, the full cost of the repairs will not necessarily be reimbursed since, in the case of a replacement housing supplement, the price of the comparable dwelling sets the upper limit of the supplemental payment. The cost of repairs, improvements, etc. to the replacement dwelling not necessary to meet decent, safe and sanitary standards will not be added to the price of the replacement dwelling when computing the amount of the supplemental payment and are entirely your responsibility.

If you rent a non-decent, safe and sanitary replacement dwelling, a supplemental payment cannot be made to you and the cost of repairs cannot be considered in the supplemental computation.

SECTION ELEVEN

OFF-PREMISE OUTDOOR ADVERTISING DEVICES

A GENERAL GUIDE TO THE RELOCATION ASSISTANCE PROGRAM OF THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION

1. CLASSIFICATION AS PERSONAL PROPERTY

Off-premise Outdoor Advertising Devices (OADs) are classified as personal property and their owners are eligible for relocation assistance and most relocation payments available to a displaced business. As the owner of a displaced off-premise OAD, you are entitled to the relocation assistance benefits and payments as explained below. Whether or not the words “off-premise” are used, all references within this section apply to off-premise OADs only.

2. RELOCATION ASSISTANCE

Your Relocation Advisor is available to assist you in obtaining and becoming established in a suitable replacement location.

Although replacement sites may be difficult to identify due to zoning restrictions on the location of outdoor advertising devices, in accordance with Pennsylvania case law, the lack of a suitable replacement site does not change an off-premise OAD’s designation as personal property. Simply put, if there is no place to move the OAD, your only option is the tangible personal property loss option.

3. RELOCATION NOTICES

In addition to this notice regarding relocation assistance benefits and payments you will receive:

- Notice of Relocation Eligibility,
- Advance Notice of Move Date – Off-Premise Outdoor Advertising Device and
- Notice to Vacate – Off-Premise Outdoor Advertising Device (if necessary).

These notices keep you informed as to your eligibility for the benefits and payments outlined herein and advise you of the time frame within which you need to move or abandon your personal property.

4. SUMMARY OF RELOCATION PAYMENTS

As the owner of an off-premise OAD affected by a transportation project, you may choose to move the OAD and receive a moving cost payment or choose to abandon the OAD in place and receive a tangible personal property loss payment.

If you move your OAD, in addition to the moving cost payment you may also receive a searching cost payment to a maximum of \$2,500.00.

If you abandon your OAD in place, in addition to the tangible personal property loss payment you may also receive a searching cost payment to a maximum of \$2,500.00 (even though you conducted an unsuccessful search).

Some off-premise OAD owners may be eligible to receive a Business Dislocation Damage payment between \$3,000 and \$60,000. However, the vast majority of OAD owners do not qualify for the payment. This payment is not an option if the advertising device is owned by a company in the business of erecting and maintaining such devices or if the other criteria outlined in 5.e. below are not met.

5. PAYMENT DESCRIPTIONS

a. Moving Cost Payment

This payment is made to reimburse you for the actual, reasonable costs to move the OAD from the acquired site to a new location. The Department will determine the estimated cost to disassemble, move, reassemble and erect the OAD at a new location and advise you of the amount. After the Department makes its determination, you may then choose to hire someone to perform the move or perform a self-move. Upon completion of the move you will be paid the appropriate amount.

Eligible expenses include the cost to disassemble, move, reassemble and erect the OAD at a new location.

(1) Transportation costs for moving the OAD. The transportation charges will normally be reimbursed for up to the first 50 miles of travel only. When the move exceeds 50 miles, all estimates should be prepared based upon a move of 50 miles. Similarly, the mover's bill must be broken down to show transportation costs for the first 50 miles as well as the cost for the remainder of the distance. When the Department determines that the OAD cannot be relocated within a 50 mile limit, reimbursement will be allowed to the nearest adequate and available site. The file must be fully documented in order to ensure federal participation.

(2) Packing, crating, unpacking and uncrating the OAD

(3) Disconnecting from Utilities at the acquired and connecting to utilities at the replacement site, if applicable, including bringing utilities from the right-of-way to improvements on the replacement site. It also includes modification to the OAD

necessary to adapt it to the replacement site or the utilities at the replacement site.

(4) Storage costs not to exceed 12 months and moving from storage. The District must determine that the storage is reasonable and necessary based upon the needs of the Department and the displaced business, the nature of the business, the plans for permanent relocation, the amount of time available for the relocation process and whether storage will facilitate relocation. The Department may set the terms for the storage.

Storage costs for a longer period of time may be approved if the Department determines and documents that a longer period is necessary. Costs for storage of OADs on property owned, leased or controlled by the displaced business are not eligible.

(5) Insurance for the replacement value of the OAD in connection with the move and necessary storage.

(6) Where insurance covering loss, theft or damage is not reasonably available, the replacement value of the OAD stolen or damaged in the process of moving, not through the fault or negligence of the displaced person, the displaced person's agent, or employee.

(7) Any license, permit or certification required at the replacement location to place the OAD being relocated. The payment is based on reimbursement of actual, reasonable and necessary costs and is limited to those amounts that are (1) for the remaining useful life of the existing permit, license or certification or (2) the costs of new licenses, permits or certifications required to place the OAD at the new site.

(8) Professional services necessary for planning the move of, moving, and installing the OAD at the replacement location or professional services in connection with the purchase or lease of a replacement site.

(9) Feasibility surveys, soil testing, marketing studies

(10) Impact fees or one time assessments for anticipated heavy utility usage

b. Tangible Personal Property Loss Payment

This payment is made to reimburse you for the loss of the use of the off-premise OAD after abandoning the OAD in place. The payment will be based upon the value in place of the OAD as determined by the Department's valuation expert. Upon obtaining possession of the OAD from you, the Department will pay you the appropriate amount.

c. Searching Cost Payment

This payment is made as reimbursement of actual, reasonable expenses incurred in searching for a replacement site. The maximum payment is \$2,500.00.

Eligible expenses include transportation expenses at the current reimbursement rate allowed by the Department, meals, lodging away from home and the reasonable value of time actually spent in search. This includes the fees of real estate agents or real estate brokers, exclusive of any fees or commissions related to the purchase of a replacement site.

(1) Searching Costs for Nonprofit Organizations

Nonprofit organizations are eligible for searching costs but caution must be taken with regard to time spent in search. Time spent in search may be paid to a nonprofit organization only when the person performing the search is a paid employee of the organization.

d. Appraisal, Engineering and Attorney Fee Payment

This payment is described in Section Nine

e. Business Dislocation Damages Payment

(1) If determined to be eligible, the payment cannot be less than \$3,000.00 or more than \$60,000.00.

(2) Eligibility - To be eligible it must be shown that:

The off-premise OAD is not owned by a company in the business of erecting and maintaining such devices.

The OAD has been relocated from the acquired site.

The OAD contributed materially to the income of the displaced person during the 2 taxable years prior to displacement.

The OAD cannot be relocated without a substantial loss of existing clientele or net earnings.

(3) A payment will be based upon the average annual net earnings as shown on Federal, State and local income tax returns for the two years prior to the taxable year of displacement. Please provide your relocation advisor with copies of your tax returns as soon as possible so that your advisor can determine your eligibility and the amount of a payment under this option.

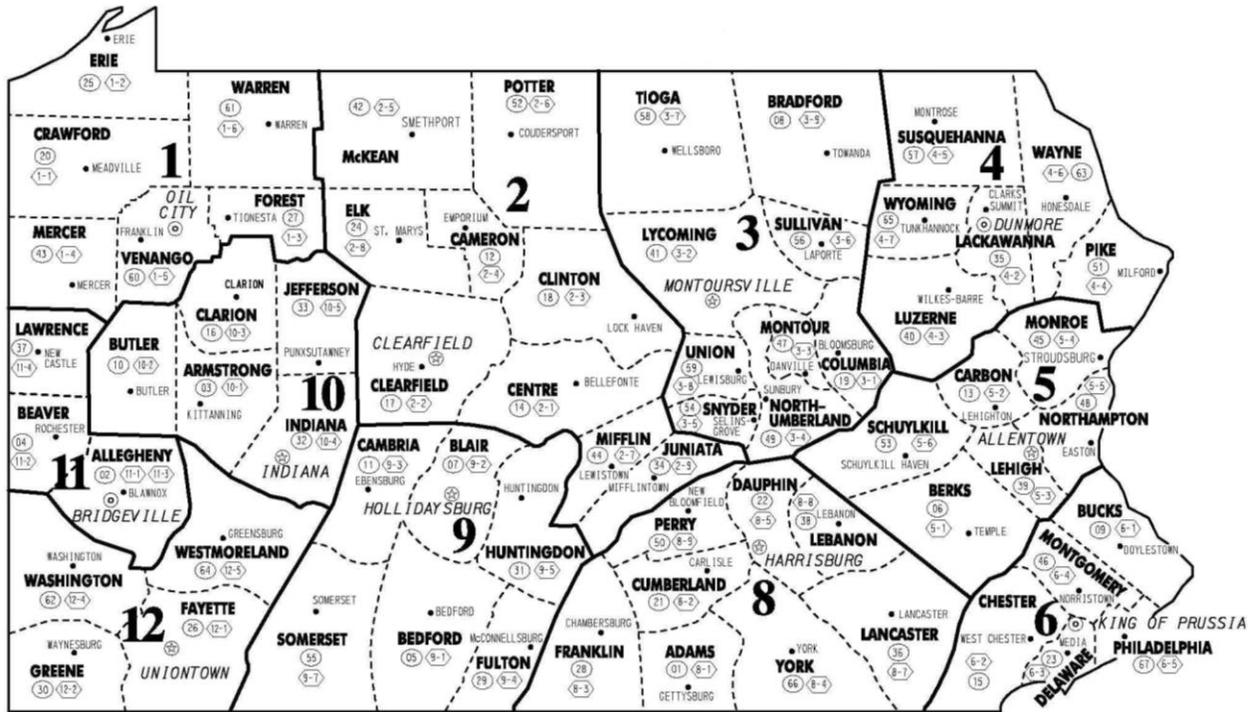
(4) A payment under this option will not be made until after the OAD is moved from the property or sold to the Department.

f. Filing Claims for Relocation Payments

Your relocation advisor will provide you with Department forms and assist you to file a claim(s) for payment.

SECTION TWELVE

DISTRICT OFFICE ADDRESSES AND TELEPHONE NUMBERS



DISTRICT 1-0
 255 Elm Street
 Oil City, PA 16301
 814-678-7069

DISTRICT 2-0
 70 PennDOT Drive
 Clearfield, PA 16830
 814-765-0444

DISTRICT 3-0
 715 Jordan Avenue
 Montoursville, PA 17754
 570-368-4337

DISTRICT 4-0
 55 Keystone Indus. Park
 Dunmore, PA 18512
 570-963-4071

DISTRICT 5-0
 1002 Hamilton Street
 Allentown, PA 18101
 610-871-4100

DISTRICT 6-0
 7000 Geerdes Boulevard
 King of Prussia, PA 19406
 610-205-6510

DISTRICT 8-0
 2140 Herr Street
 Harrisburg, PA 17103
 717-787-4861

DISTRICT 9-0
 1620 N. Juniata Street
 Hollidaysburg, PA 16648
 814-696-7210

DISTRICT 10-0
 2550 Oakland Avenue
 P.O. Box 429
 Indiana, PA 15701
 724-357-4808

DISTRICT 11-0
 45 Thoms Run Road
 Bridgeville, PA 15017
 412-429-4853

DISTRICT 12-0
 P.O. Box 459
 825 N. Gallatin Avenue Ext.
 Uniontown, PA 15401
 724-439-7146