

#36.60

3/2/71

Memorandum 71-14

Subject: Study 36.60 - Condemnation (Relocation Assistance)

Summary

At the February 1971 meeting, the staff advised the Commission that a new federal Uniform Relocation Assistance Act had been enacted, and the Commission reviewed a portion of a tentative recommendation based on this federal legislation. The Commission decided that, in preparing a recommendation relating to this area of the law, it should not limit itself merely to conforming California law to the federal act but should rather devise the best possible relocation assistance scheme to be applicable in California where conformity with federal law is not required. At the next meeting, the staff hopes that the Commission will be able to determine what schedule we will follow and to make further progress towards preparing appropriate legislation to implement this decision.

Future Schedule

The March meeting will be the last regularly scheduled Commission meeting before the bill deadline in April. It would seem desirable that legislation be introduced at the 1971 legislative session that at least authorizes California public entities to comply with federal law where such compliance is necessary to secure federal financial assistance. Delay in the enactment of such legislation would deprive some condemnees of the additional relief provided under federal law and deprive condemnors of the additional federal assistance made available to them until July 1972. It seems highly probable that such legislative authority will be provided in 1972, if not 1971, by others, if not by

the Commission. In view of the Commission's involvement in the condemnation area, the staff believes that the Legislature expects the Commission to keep abreast of developments, such as the change in federal law, and to advise it concerning such developments. We believe that the Commission would be remiss in not providing the Legislature with at least a stopgap measure to cover the current hiatus between federal requirements and California legislative authority.

If the Commission desires to propose legislation this year, the next question is what form this legislation should take. Relocation assistance is merely one aspect of the general compensation issue. Ultimately, what is done regarding this aspect must be integrated into a scheme dealing with the entire issue. Obviously, this integration cannot be accomplished in the next month. Even a comprehensive scheme relating to relocation assistance alone cannot be subjected to the Commission's customary thorough analysis, revision, distribution for comment, and further revision in such period. The staff, therefore, believes that it would be desirable to attempt to merely provide authority for public entities to comply with federal requirements where necessary to obtain federal assistance. This can be done by simply adding a section to present Chapter 16 of the Government Code. (This entire chapter is reproduced in Exhibit III, attached). A tentative recommendation which would do this is attached to this memorandum. Such action would, it seems, reduce the urgency for immediate legislation and would afford the Commission an opportunity to review this matter properly. Alternatively, we can attempt now to draft the best possible comprehensive relocation assistance statute, introduce it before the bill deadline, and hope to eliminate defects as they appear.

Whichever course of action is followed, we assume that eventually our Comprehensive Statute will contain relocation assistance provisions. In view

of this eventuality, we have revised the draft statute presented at the last meeting in accordance with the decisions made there. We have also prepared the following materials, including certain substitute provisions which we ask that you consider in revising this statute at this meeting.

Draft Statute

Mandatory versus permissive. One of the decisions the Commission made at the February meeting was to make the furnishing of relocation assistance by a public entity entirely discretionary on the part of such entity. This decision will presumably be reviewed in connection with integration of these provisions into the general compensation scheme. However, the issue seems so fundamental and so affects the detailed drafting of specific sections that we felt it would be desirable to underscore the action taken.

Article 1. Definitions. The definitional sections in this article have been revised in accordance with the directions of the Commission at the February meeting. For the most part, they now appear to be satisfactory.

The staff, however, does not believe that the definitions of business (Section 7261) and farm operation (Section 7263) are integrated in a way that permits a farm operation operated by a nonprofit corporation to collect moving expenses. We do not believe that this omission is intentional and we suggest that the problem could be remedied by deleting paragraph (3) of subdivision (a) of Section 7261 and explaining in the Comments to both sections that it makes no difference whether the business or farm operation is being conducted by a nonprofit organization. Such an organization is a "person," may engage in the activities described, and should accordingly be compensated where otherwise eligible for assistance.

Section 7262 defines "displaced person." We have revised the section to make clear that the term is restricted to persons "lawfully occupying" the property and we have added the last phrase which was formerly included in the definition of the term "acquirer" (which has been deleted). We have also revised the Comment to this section in accordance with the directions of the Commission at the last meeting. We are not, however, certain that the last sentence of the Comment finds sufficient support in the statute to be given effect. We believe that the rule expressed is contrary to what will be the rule under the similar language of the federal statute, and our statute may, therefore, not be given the interpretation desired. Does the Commission wish to further revise this section?

Article 2. General Provisions. This article has simply been revised pursuant to the directions of the Commission at the February meeting. Paragraphs (3), (4), (5), and (6) have been added to Section 7280. Section 7283 has been slightly reworded, but its substance remains the same. We do believe that, because of the importance of this section, consideration might be given to making it a separate article. Sections 7284 and 7285 have both been revised for clarification.

Article 3. Moving and Related Expenses. This article also has been revised in accordance with the Commission's directions. As noted above, payment under this article is entirely discretionary. A second sentence has been added to subdivision (a) of Section 7290, making clear that moving expenses in excess of the value of the property moved cannot be paid. Section 7291 gives the public entity the options regarding in lieu dwelling payments. Subdivision (a) of Section 7292 has been revised to eliminate any reference to a minimum payment. Section

7293 has been revised in an attempt to restrict its application to an owner-operator of a business or farm, thus excluding, for example, employees of a business (Lockheed) forced to move. We are not certain, however, that the revisions accomplish the task. The section should perhaps be revised to read, in part:

7293. Whenever the acquisition of real property used for a business or farm operation causes the owner [or operator] of such business or farm to move from other real property used for his dwelling,

Use of the term "owner" only seems too restrictive, especially in the farm situation where we believe that a ranch manager or farm operator will frequently be the person most affected by the acquisition. If we also include the term "operator," should the term be defined? It might be noted that the same term "operator" is used in the definition of "farm operation" (Section 7263) without definition.

Article 3 as presently drafted mixes the concept of payment for moving expense and payment for loss of business. Attached as Exhibit I is a redrafted Article 3 which separates these concepts and authorizes payment at the discretion of the entity of both elements of damage. This approach is a significant departure from the approach of the federal law, but the staff believes that it does have advantages and asks that you consider the approach in reviewing this aspect of the statute.

Article 4. Replacement Housing. Time did not permit the Commission to discuss Article 4 of the draft statute relating to replacement housing at the February meeting. We have accordingly made only relatively minor changes in these sections.

Section 7300. This section relates to replacement housing for qualifying homeowners. We have made clear that payment under this section is completely

discretionary and the public entity may choose to pay any or all of the elements listed in paragraphs (1) through (3).

Paragraph (1) formerly read, in part:

(1) The amount, if any, which when added to the acquisition cost of the dwelling acquired, equals the reasonable cost of a comparable replacement dwelling

The staff believes that it is more accurate to refer to the "price paid" by the entity for the dwelling and we have revised this paragraph accordingly.

Paragraph (2) authorizes reimbursement for increased interest costs incurred in financing the replacement dwelling. We have deleted the last two sentences of paragraph (2) which provided:

Such amount shall be equal to the excess in the aggregate interest and other debt service costs of that amount of the principal of the mortgage on the replacement dwelling which is equal to the unpaid balance of the mortgage on the acquired dwelling, over the remainder term of the mortgage on the acquired dwelling, reduced to discounted present value. The discount rate shall be the prevailing interest rate paid on savings deposits by commercial banks in the general area in which the replacement dwelling is located.

The staff believes that it is unnecessary to prescribe in detail the manner of computation of this discretionary payment. If the manner of computation is to be prescribed by statute, we believe that the federal provision is deficient. The federal formula contemplates only one mortgage on each dwelling; it extends payment for the entire term of the mortgage existing on the acquired dwelling (which may even exceed the term of the mortgage on the replacement dwelling); and it provides an excessively conservative discount rate. If the statute is to prescribe a formula for this payment, we prefer the approach indicated in Exhibit II--Section 7301.5 (attached). (This is a modified staff draft taken from a previous memorandum.)

Paragraph (3) formerly excluded "prepaid expenses" as an item for which compensation might be paid. The staff does not know what was meant by "prepaid

expenses" or why these were excluded. It might be noted that paragraph (2) formerly specifically authorized payment for "debt service costs." The latter term could include "points," "loan fees," or "prepaid interest." In any event, payment under paragraph (2) is never mandatory and is limited to "reasonable" expenses; hence, we see no reason to retain this additional limitation.

Although this article was not discussed at the February meeting, the staff sensed some dissatisfaction concerning the scope of payment authorized by it. Sections 7300 and 7301, as presently drafted, both authorize public entities to make payments to displaced persons to obtain replacement dwellings which are as good as, or better than, the acquired dwellings. Paragraph (1) of Section 7300 is ambiguously worded; however, it would appear that the replacement dwelling must be a completely adequate dwelling which meets certain minimum standards, whether or not the acquired dwelling met such standards. The same point is true of subdivisions (a) and (b) of Section 7301. This point is implicit in the very grant of authority to make a bonus payment. Theoretically, a condemnee is paid the current fair market value for his property; accordingly, he should be able to take that money and replace his property with comparable property. If he needs more money, he was either not paid enough for the property taken or he is seeking to buy better property or, as under Section 7301, he is seeking to buy where formerly he could only afford to rent. These sections, as drafted, are apparently based on the policy that a person displaced from substandard housing should be assisted in obtaining adequate replacement housing even though this involves a step up to housing meeting at least minimum standards. The staff believes that this policy could be made clearer if the term "replacement dwelling" were defined and explained in a separate section. To accomplish this result, we have redrafted this entire article as indicated in Exhibit II (yellow) attached.

If the Commission is dissatisfied with the federal policy and believes that a displaced person is entitled to no better housing than that which he occupied before the acquisition, then the staff believes that the sections should be revised to eliminate the additional payment authorized by paragraph (1) of Section 7300 and should delete Section 7301 entirely. If the Commission merely believes that a former tenant should not be assisted to become a homeowner, then only that portion of the authority granted need be eliminated.

Article 5. Property Acquired for Airport Purposes. Article 5 consists of one section (Section 7310) which authorizes a payment to certain owners of property whose property is not acquired but is injuriously affected by the acquisition of adjacent property which is then devoted to airport purposes. We have revised this section to include the definition of "affected property" which was formerly separately stated and to make clear that the public entity may pay any amount up to \$5,000, but not to exceed the actual decline in fair market value. The staff believes that Section 7310 is now substantively identical to existing Section 7265 of the Government Code. Our previous recommendations have included a footnote stating substantially as follows:

Proposed Section 7310 is substantively identical to Section 7265 of the Government Code. Section 7310 obviously does not provide relocation benefits but, in very limited circumstances, provides compensation for intangible detriment caused by the proximity of a public improvement. Because of the special nature of this section, the Commission has deferred consideration of both the principle and scope of this section until the Commission's study of this aspect of condemnation is completed.

If nothing further is done with the section, the staff believes that it would also be desirable to include the substance of this statement in the Comment to Section 7310. Although we are not satisfied with the policy implemented by the section as drafted, we do not believe that it would be desirable to attempt anything more ambitious at this legislative session.

The remainder of the draft statute is self-explanatory. We have not attempted to draft a preliminary part to the draft statute because of our uncertainty as to what the statute will ultimately provide. If the Commission decides to introduce this statute in 1971, the staff will draft such an explanation of the statute after the March meeting and send it out for your review and comment prior to the introduction of the bill.

In order to expedite the sending of these materials, we have not attempted to include condemnors or potential condemnors other than public entities under this statute. The staff will prepare separate memoranda later dealing with the problems raised by inclusion of other condemnors.

Respectfully submitted,

Jack I. Horton
Assistant Executive Secretary

EXHIBIT I

Article 3. Moving and Related Expenses

§ 7290. Payment of moving expenses

7290. (a) As a part of the cost of the program or project for which property is acquired, the public entity may, in its discretion, compensate a displaced person for all or any of the following:

(1) Actual reasonable expenses in moving himself, his family, business, farm operation, or other personal property. The compensable expenses of moving tangible personal property shall not exceed the value of such property.

(2) Actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate such property.

(3) Actual reasonable expenses in searching for a replacement business or farm.

(b) In lieu of the payments authorized by subdivision (a), a public entity may, in its discretion, either pay any displaced person who is displaced from a dwelling or permit any such displaced person to elect to receive a moving expense allowance, determined according to a schedule, but not to exceed three hundred dollars (\$300), and a dislocation allowance not to exceed two hundred dollars (\$200).

(c) The amount of the payment authorized by subdivision (a) to be made to any displaced person who moves his business or farm operation may be determined by agreement acceptable to both such person and the public entity.

Comment. Subdivision (a) of Section 7290 is patterned after subsection (a) of Section 202 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). However, Section 7290 merely authorizes a public entity to make the payments indicated; payment is not required as provided under federal law. Moreover, it should be noted that Section 7281 makes the decision of the governing body of the public entity final on determinations as to eligibility for or amount of payment.

A second sentence is added to paragraph (1) to make clear that a public entity will not pay moving expenses in excess of the value of the property moved. This seems implicit in the requirement of "reasonable" expense.

Subdivision (b) is derived from subsection (b) of Section 202 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). However, subdivision (b) operates only at the discretion of the public entity. Under subdivisions (a) and (b), a public entity may choose one of several alternatives with respect to providing assistance to a person displaced from a dwelling: (1) It may pay nothing at all; (2) it may pay only actual reasonable moving expenses (subdivision (a)); (3) it may pay only a moving expense allowance and a dislocation allowance (subdivision (b)); or (4) it may permit an eligible person to choose between payment under subdivision (a) and payment under subdivision (b).

Subdivision (c) makes clear that a public entity is authorized to negotiate with a displaced person required to move a farm or business a fixed payment (which may turn out to be either more or less than actual expense) in lieu of the actual reasonable expenses payable under subdivision (a). This provision permits a public entity to avoid administrative inconvenience and delay while sidestepping the impossible task of setting arbitrary advance standards for business and farm moves.

§ 7291. Supplementary payments to displaced business and farms

7291. (a) As a part of the cost of the program or project for which the property is acquired, a public entity may, in its discretion, make a payment to any displaced person who moves or discontinues a business or farm operation which cannot be relocated without a substantial loss of income, to compensate such person, in whole or in part, for such loss.

(b) The payment authorized by subdivision (a) shall not exceed the lesser of:

(1) The average annual net earnings of the business or farm operation;

(2) Ten thousand dollars (\$10,000); or

(3) The probable amount of income which will be lost if the business or farm operation is relocated.

Comment. Section 7291 authorizes a discretionary supplementary payment to **displaced businesses** and farms. Such payment is in addition to the payment of moving expenses under Section 7290 and is intended to meet the different problem of loss of business or farm income caused by the displacement. It should be noted that a payment may be made even though the displaced person does not relocate. However, in such a case, the amount payable is still limited by the probable amount of loss that would have occurred if relocation had been attempted. Also, it is anticipated that payment will, at least sometimes, be made in advance of the full loss having occurred. Again the same limitation applies. Measurement of the loss will always be difficult and imprecise; however, the authority granted by this section should provide desirable and necessary relief for the persons affected.

EXHIBIT II

Article 4. Replacement Housing

§ 7300. Replacement dwelling defined

7300. As used in this article, "replacement dwelling" means a dwelling, available on the market and determined, in accordance with standards established by the public entity, to be a decent, safe, and sanitary dwelling adequate to accomodate the displaced person and as generally accessible to public utilities, to public and commercial facilities, and to the displaced person's place of employment as the dwelling acquired by the public entity.

Comment. Section 7300 defines "replacement dwelling" as that term is used in this article. It is similar in substance to the same term used in Sections 203 and 204 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). It should be noted that, although a replacement dwelling should be generally comparable to the dwelling acquired by the public entity, it must nevertheless meet certain minimum standards set by the entity. Hence, where substandard dwellings are acquired by the entity, Sections 7301 and 7302 authorize payments to displaced persons to enable them to obtain replacement dwellings of superior quality.

§ 7301. Replacement dwelling for homeowner

7301. (a) In addition to the payment authorized by Article 3 (commencing with Section 7290), as a part of the cost of the program or project for which the property was acquired, the public entity may, in its discretion, make an additional payment not to exceed fifteen thousand dollars (\$15,000) to any displaced person who is displaced from a dwelling actually owned and occupied by such person for not less than one hundred eighty (180) days prior to the first written offer for the acquisition of the property. Such additional payment may include any or all of the following elements:

(1) The amount, if any, which when added to the price paid by the public entity for the dwelling acquired by it equals the reasonable purchase price of a replacement dwelling.

(2) The amount, if any, which will compensate the displaced person for any increased interest costs which such person is required to pay to finance the purchase of a replacement dwelling. Such amount may be paid only if the dwelling acquired by the public entity was encumbered by a bona fide mortgage which was a valid lien on such dwelling for not less than one hundred eighty (180) days prior to the first written offer for the acquisition of such dwelling. [The amount paid pursuant to this paragraph shall be computed as provided in Section 7301.5.]

(3) The amount, if any, which will compensate the displaced person for reasonable expenses incurred by such person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling

§ 7301

(b) The additional payment authorized by this section may be made only to a displaced person who purchases and occupies a replacement dwelling not later than the end of the one-year period beginning on the date on which he receives final payment from the public entity of all compensation for the acquired dwelling, or the date on which he moves from the acquired dwelling, whichever is the later date.

§ 7301.5. Computation of refinancing payment

7301.5. (a) The payment authorized by paragraph (2) of subdivision (a) of Section 7301 shall not exceed the smallest amount reduced to present worth by which total interest payments for the new indebtedness exceed the total interest payments for the old indebtedness for a period of seven years following the acquisition.

(b) For the purposes of this section, the term "old indebtedness" means any bona fide and recorded mortgage or deed of trust existing as a valid lien against the acquired property at least one hundred eighty (180) days prior to the first written offer by the acquirer for the acquisition of such property. Total interest payments for the old indebtedness shall be computed by taking into account all of the following:

- (1) The principal amount of the old indebtedness.
- (2) The term of the old indebtedness.
- (3) The interest rate of the old indebtedness not to exceed the maximum interest allowable by law.

(c) For the purposes of this section, the term "new indebtedness" means any bona fide and recorded mortgage or deed of trust existing as a valid lien against the replacement dwelling. Total interest payments for the new indebtedness shall be computed by taking into account all of the following:

- (1) The principal amount of the new indebtedness not to exceed the unpaid principal of the old indebtedness.
- (2) The remaining term of the old indebtedness or the remaining term of the new indebtedness, whichever is less.

§ 7301.5

(3) The interest rate of the new indebtedness not to exceed the maximum interest allowable by law.

(d) The present worth of the amount referred to in subdivision (a) shall be computed by discounting such amount at a rate equal to the prevailing interest rate paid on savings deposits by savings and loan associations in the general area in which the replacement dwelling is located.

Comment. Basically, payment under Section 7301.5 is computed by determining the difference between (1) the highest interest payments the owner would have made during the seven-year period following the acquisition under any encumbrance existing as a valid lien on the acquired property and (2) the lowest interest payments he will be required to make under any encumbrance existing as a valid lien on the replacement property and then reducing this difference to its present value using the discount rate provided in subdivision (d). The seven-year limitation is an arbitrary period intended to allow for the probability that an owner would sell anyway, whether or not there had been an acquisition, and for the likelihood of fluctuations in financing rates over such period.

The principal amount, the term, and the interest rate of both the old and the new encumbrances are subject to limitations, and this, together with the presence of multiple encumbrances, can complicate the actual computations. Following, however, are examples of the results achieved under this section that illustrate how these factors are taken into account.

\$ 7301.5

Example 1. The owner's original dwelling is encumbered by a first mortgage with a remaining balance of \$20,000, payable in 20 years, interest at 6%.

He replaces this with a dwelling encumbered by a first mortgage with a remaining balance of \$18,000, payable in 20 years, interest at 8% and a second mortgage with a remaining balance of \$3,000, payable in 10 years, interest at 9%.

His payment should equal the present value of:

- (1) 2% (8% minus 6%) on \$18,000 for 7 years; plus
- (2) 3% (9% minus 6%) on \$2,000 for 7 years.

It should be noted that payment is limited to a seven-year period, to the smallest possible interest differential, and to the principal amount of the original encumbrance.

Example 2. The same original financing as in Example 1, but the replacement dwelling is encumbered by a first mortgage with a remaining balance of \$18,000, payable in 20 years, interest at 8%, and a second mortgage with a remaining balance of \$3,000, payable in 5 years, interest at 9%.

His payment should equal the present value of:

- (1) 2% (8% minus 6%) on \$18,000 for 7 years; plus
- (2) 3% (9% minus 6%) on \$2,000 for the first 5 years.

It should be noted that here, after 5 years, the total indebtedness on the replacement dwelling is less than the principal amount of the mortgage on the original dwelling and payment is limited accordingly.

Example 3. The owner's original dwelling is encumbered by a first mortgage with a remaining balance of \$20,000, payable in 20 years, interest at 6%, and a second mortgage with a remaining balance of \$3,000, payable in 4 years, interest at 7%.

He replaces this with a dwelling encumbered by a first mortgage with a remaining balance of \$21,000, payable in 25 years, interest at 9%, and a second mortgage with a remaining balance of \$4,000, payable in 3 years, interest at 10%.

His payment should equal the present value of:

- (1) 2% (9% minus 7%) on \$3,000 for the first 3 years; plus
- (2) 3% (9% minus 6% and 10% minus 7%) on \$20,000 for the first 3 years; plus
- (3) 2% (9% minus 7%) on \$3,000 for the fourth year; plus
- (4) 3% (9% minus 6%) on \$18,000 [\$21,000 minus \$3,000] for the fourth year; plus
- (5) 3% (9% minus 6%) on \$20,000 for the last three years.

It should be noted here that payment is limited not only by the smallest possible interest differential but also by the shortest terms on the old and new encumbrances.

Example 4. The owner's original dwelling is encumbered by a first mortgage with a remaining balance of \$20,000, payable in 20 years, interest at 6%, and a second mortgage with a remaining balance of \$3,000, payable in 3 years, interest at 7%.

He replaces this with a dwelling encumbered by a first mortgage with a remaining balance of \$12,000, payable in 10 years, interest at 6%, and a second mortgage with a remaining balance of \$13,000, payable in 10 years, interest at 9%.

His payment should equal the present value of:

- (1) 2% (9% minus 7%) on \$3,000 for the first 3 years; plus
- (2) 3% (9% minus 6%) on \$8,000 [\$23,000 minus (\$12,000 plus \$3,000)] for the first 3 years; plus
- (3) 3% (9% minus 6%) on \$8,000 [\$20,000 minus \$12,000] for the last 4 years.

Example 5. Same facts as in Example 4, except the first mortgage on the replacement dwelling is payable in 5 years.

His payment should equal the present value of:

- (1) 2% (9% minus 7%) on \$3,000 for the first 3 years; plus
- (2) 3% (9% minus 6%) on \$8,000 [\$23,000 minus (\$12,000 plus \$3,000)] for the first 3 years; plus
- (3) 3% (9% minus 6%) on \$8,000 [\$20,000 minus \$12,000] for years 4 and 5; plus
- (4) 3% (9% minus 6%) on \$13,000 for last 2 years.

It should be noted here that the acquirer gets the benefit of the favorable financing that the owner is able to obtain on the replacement housing, but only for the length of time for which it lasts.

§ 7302. Replacement housing for tenants and certain others

7302. (a) In addition to the payment authorized by Article 3 (commencing with Section 7290), as a part of the cost of the program or project for which the property was acquired, the public entity may, in its discretion, make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under Section 7301, which dwelling was actually and lawfully occupied by such displaced person for not less than ninety (90) days prior to the first written offer for acquisition of such dwelling. Such payment may be either:

(1) The amount, not to exceed four thousand dollars (\$4,000), necessary to enable such displaced person to lease or rent a replacement dwelling for a period not to exceed four years; or

(2) The amount, not to exceed four thousand dollars (\$4,000), necessary to enable such displaced person to make a downpayment, including incidental expenses described in paragraph (3) of subdivision (a) of Section 7301, on the purchase of a replacement dwelling. If the amount paid under this paragraph exceeds two thousand dollars (\$2,000), the displaced person must equally match any such amount in excess of two thousand dollars (\$2,000) in making the downpayment.

(b) The additional payment authorized by this section may be made only to a displaced person who purchases and occupies a replacement dwelling not later than the end of the one-year period beginning on the date on which he receives final payment, if any, from the public entity of all compensation for the acquired dwelling, or the date on which he moves from the acquired dwelling, whichever is the later date.

EXHIBIT III

CHAPTER 16. RELOCATION ASSISTANCE [NEW]

- Sec.
- 7260. Definitions.
 - 7261. Relocation advisory assistance by public entity; local offices.
 - 7262. Compensation for displaced person; amount.
 - 7263. Additional payment to displaced dwelling owner; amount.
 - 7264. Additional payment to displaced individual or family renters; amount.
 - 7265. Additional payment to contiguous property owner; amount.
 - 7266. Review by public entity; family.
 - 7267. Payments; law governing.
 - 7268. Rules and regulations.
 - 7269. Status of payments; income tax and public assistance.
 - 7270. Existence of damages on date of enactment of chapter.
 - 7271. Severability.
 - 7272. Application to a city or county.
 - 7273. Compensation for moving expenses of displaced persons (New).

Chapter 16 added by Stats.1969, c. 1489, p. 3043, § 1.

§ 7260. Definitions

As used in this chapter:

(a) "Public entity" includes the state, the Regents of the University of California, a county, city, city and county, district, public authority, public agency, and any other political subdivision or public corporation in the state when acquiring real property or any interest therein, in * * * any city or county * * * for public use, except the Department of Public Works of this state.

(b) "Displaced person" means any individual, family, business, or farm operation, which moves from real property acquired by a public entity for public use.

(c) "Individual" means a person who is not a member of a family.

(d) "Family" means two or more persons living together in the same dwelling unit who are related to each other by blood, marriage, adoption, or legal guardianship.

(e) "Business" means any lawful activity conducted primarily for purchase and resale, manufacture, processing, or marketing of products, commodities, or other personal property; or for the sale of services to the public; or by a nonprofit corporation.

(f) "Farm operation" means any activity conducted primarily for the production of one or more agricultural products or commodities for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(g) "Affected property" means any real property which actually declines in fair market value because of acquisition by a public entity for public use of other real property and a change in the use of the real property acquired by the public entity.

(h) "Public use" means a use for which real property may be acquired by eminent domain.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 6, 1969. Amended by Stats.1970, c. 933, p. —, § 1.)

Library references
Words and Phrases (Perm. Ed.)

§ 7261. Relocation advisory assistance by public entity; local offices

(a) A public entity is authorized to give relocation advisory assistance to any individual, family, business, or farm operation displaced because of the acquisition of real property by that public entity for public use.

(b) In giving such assistance, the public entity may establish local relocation advisory assistance offices to assist in obtaining replacement facilities for individuals, families, and businesses which it is necessary to relocate because of the acquisition of real property by the public entity.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 6, 1969.)

§ 7262. Compensation for displaced person; amount

(a) As a part of the cost of acquisition of real property for a public use, a public entity may compensate a displaced person for his actual and reasonable expense in moving himself, family, business, or farm operation, including moving personal property.

(b) Any displaced person who moves from a dwelling who elects to accept payments authorized by this subdivision in lieu of the payments authorized by subdivision (a) of this section may receive a moving expense allowance, determined according to a schedule established by the public entity, not to exceed two hundred dollars (\$200), and in addition a dislocation allowance of one hundred dollars (\$100).

(c) Any displaced person who moves or discontinues his business or farm operation who elects to accept the payment authorized by this subdivision in lieu of the payment authorized by subdivision (a) of this section, may receive a fixed relocation payment in an amount equal to the average annual net earnings of the business or farm operation, or five thousand dollars (\$5,000), whichever is less. In the case of a business, no payment shall be made under this subdivision unless the public entity is satisfied that the business cannot be relocated without a substantial loss of patronage, and is not a part of a commercial enterprise having at least one other establishment, not being acquired, which is engaged in the same or similar business. For purposes of this subdivision, the term "average annual net earnings" means one-half of any net earnings of the business, or farm operation, before federal, state, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operation moves from the real property being acquired, and includes any compensation paid by the business or farm operation to the owner, his spouse, or his dependents during such two-year period. To be eligible for the payment authorized by this subdivision, the business or farm operation shall make available its state income tax records and its financial statements and accounting records, for audit for confidential use to determine the payment authorized by this subdivision. (Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 6, 1969.)

§ 7263. Additional payment to displaced dwelling owner; amount

(a) In addition to the payments authorized by Section 7261, the public entity, as a part of the cost of construction, may make a payment to the owner of real property acquired for public use which is improved with a single- or two- or three-family dwelling actually owned and occupied by the owner for not less than one year prior to the first written offer for the acquisition of such property.

(b) Such payment, not to exceed five thousand dollars (\$5,000), shall be the amount, if any, which, when added to the acquisition payment, equals the average price required for a comparable dwelling determined, in accordance with standards established by the public entity, to be a decent, safe and sanitary dwelling adequate to accommodate the displaced owner, reasonably accessible to public services and the condemnee's place of employment, and available on the market.

(c) Such payment shall be made only to a displaced owner who purchases and occupies a dwelling that meets standards established by the public entity within one year subsequent to the date on which he is required to move from the dwelling acquired by the public entity.

(Added by Stats.1969, c. 1489, p. 3043, § 2, urgency eff. Sept. 6, 1969.)

§ 7264. Additional payment to displaced individual or family renters; amount

(a) In addition to the payment authorized by Section 7261, as a part of the cost of acquisition, the public entity may make a payment to any individual or family displaced from any dwelling, not eligible to receive a payment under Section 7263 which was actually and lawfully occupied by such individual or family for not less than 90 days prior to the first written offer from the public entity for the acquisition of such property.

(b) Such payment, not to exceed one thousand five hundred dollars (\$1,500), shall be the additional amount which is necessary to enable such individual or family to lease or rent for a period not to exceed two years, or to make the downpayment on the purchase of, a decent, safe, and sanitary dwelling of standards adequate to accommodate such individual or family in areas not generally less desirable in regard to public utilities and public and commercial facilities.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 6, 1969.)

§ 7265. Additional payment to contiguous property owner; amount

(a) In addition to the payment authorized by Section 7261, as a cost of acquisition, the public entity may make a payment to any affected property owner meeting the requirements of this section.

(b) Such affected property is immediately contiguous to property acquired for * * * airport purposes and the owner shall have owned the property affected by acquisition by the public entity not less than one year prior to the first written offer for acquisition of the acquired property.

(c) Such payment, not to exceed five thousand dollars (\$5,000), shall be the amount, if any, which equals the actual decline in the fair market value of the property of the affected property owner caused by the acquisition by the public entity for * * * airport purposes of other real property and a change in the use of such property.

(d) The amount, if any, of actual decline in fair market value of affected property shall be determined according to rules and regulations adopted by the public entity pursuant to this chapter. Such rules and regulations shall limit payment under this section only to such circumstances in which the decline in fair market value of affected property is reasonably related to objective physical change in the use of acquired property.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 8, 1969. Amended by Stats.1970, c. 983, p. ---, § 3.)

§ 7266. Review by public entity; finality

Any person aggrieved by a determination as to eligibility for a payment authorized by this chapter, or the amount of a payment, may have his application reviewed by the public entity, and the decision of the public entity shall be final.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 8, 1969.)

§ 7267. Payments; law governing

Payments under the provisions of this chapter shall be made to eligible persons in accordance with such rules and regulations as shall be adopted by the State Board of Control for property acquisitions by a state agency, or the governing body of any other public entity, for property acquisitions by such entity. Payments made in relation to property acquisition for roads and streets by public entities other than the state shall be made in accordance with the provisions of Article 3.5 (commencing with Section 158) of Chapter 1 of Division 1 of the Streets and Highways Code and such rules and regulations as shall be adopted by the State Department of Public Works.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 8, 1969.)

§ 7268. Rules and regulations

The State Board of Control is authorized to adopt rules and regulations to implement payments under this chapter by state agencies. The governing bodies of other public entities are authorized to adopt rules and regulations to implement payments under this chapter by such entities.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 8, 1969.)

§ 7269. Status of payments; income tax and public assistance

No payment received by any person under this chapter shall be considered as income for the purposes of 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, nor shall such payments be considered as income or resources to any recipient of public assistance and such payments shall not be deducted from the amount of aid to which the recipient would otherwise be entitled under Part 3 (commencing with Section 11000) of Division 9 of the Welfare and Institutions Code.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 8, 1969.)

§ 7270. Existence of damages on date of enactment of chapter

Nothing contained in this chapter shall be construed as creating in any condemnation proceedings brought under the power of eminent domain any element of damages not in existence on the date of enactment of this chapter.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 8, 1969.)

§ 7271. Severability

If any provision of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 8, 1969.)

§ 7272. Application to a city or county

The provisions of this chapter shall apply only to the provision by a public entity of relocation assistance to any individual, family, business, or farm operation located in a city or county

(Added by Stats.1969, c. 1489, p. 3043, § 1, urgency eff. Sept. 6, 1969. Amended by Stats.1970, c. 983, p. —, § 2.)

§ 7273. Compensation for moving expenses of displaced persons

Funds received pursuant to Sections 2106 and 2107 of the Streets and Highways Code may be expended by a city to compensate displaced persons for their moving expenses because of the construction of city highways or streets.

(Added by Stats.1970, c. 2132, p. —, § 1.)

#36.60

Revised March 1, 1971

STATE OF CALIFORNIA
CALIFORNIA LAW
REVISION COMMISSION

TENTATIVE RECOMMENDATION

relating to

CONDEMNATION LAW AND PROCEDURE

Relocation Assistance

CALIFORNIA LAW REVISION COMMISSION
School of Law
Stanford University
Stanford, California 94305

Important Note: This tentative recommendation is being distributed so that interested persons will be advised of the Commission's tentative conclusions and can make their views known to the Commission. Any comments sent to the Commission will be considered when the Commission determines what recommendation, if any, it will make to the California Legislature. It is just as important to advise the Commission that you approve the tentative recommendation as it is to advise the Commission that you object to the tentative recommendation or that you believe that it needs to be revised.

The Commission often substantially revises tentative recommendations as a result of the comments it receives. Hence this tentative recommendation is not necessarily the recommendation the Commission will submit to the Legislature.

TENTATIVE
RECOMMENDATION OF THE CALIFORNIA
LAW REVISION COMMISSION

relating to

CONDEMNATION LAW AND PROCEDURE

Relocation Assistance

BACKGROUND

The federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 became law on January 2, 1971. The act includes provisions that establish relocation assistance requirements, prescribe land acquisition policies, make special rules to deal with buildings, structures, and improvements, and require payment of expenses incident to transfer of real property required for public projects and of litigation expenses in certain instances.

Until July 1, 1972, the relocation requirements of the federal statute apply to state and local acquisitions only to the extent that the acquiring

-
1. Pub. L. 91-646, 91st Cong., S. 1, 84 Stat. 1894.
 2. Id., Title II (§§ 201-221).
 3. Id., § 301.
 4. Id., § 302.
 5. Id., § 303.
 6. Id., § 304.

agency is able under its laws to comply with such requirements.⁷ After July 1, 1972, such requirements are completely applicable, and federal financial assistance--whether it be a grant, contribution, or loan--will not be provided to a state or local agency unless the requirements are satisfied.⁸ The federal

7. Id., § 221. Subdivision (b) of Section 221 states:

(b) Until July 1, 1972, sections 210 and 305 shall be applicable to a State only to the extent that such State is able under its laws to comply with such sections. After July 1, 1972, such sections shall be completely applicable to all States.

Sections 210 and 305 referred to provide respectively:

210. Notwithstanding any other law, the head of a Federal agency shall not approve any grant to, or contract or agreement with, a State agency, under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this title, unless he receives satisfactory assurances from such State agency that--

(1) fair and reasonable relocation payments and assistance shall be provided to or for displaced persons, as are required to be provided by a Federal agency under sections 202, 203, and 204 of this title;

(2) relocation assistance programs offering the services described in section 205 shall be provided to such displaced persons;

(3) within a reasonable period of time prior to displacement, decent, safe, and sanitary replacement dwellings will be available to displaced persons in accordance with section 205(c)(3).

305. Notwithstanding any other law, the head of a Federal agency shall not approve any program or project or any grant to, or contract or agreement with, a State agency under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the acquisition of real property on and after the effective date of this title, unless he receives satisfactory assurances from such State agency that--

(1) in acquiring real property it will be guided, to the greatest extent practicable under State law, by the land acquisition policies in section 301 and the provisions of section 302, and

(2) property owners will be paid or reimbursed for necessary expenses as specified in sections 303 and 304.

8. Ibid.

statute provides that the cost to the state or local agency of providing relocation assistance shall be included as a part of the cost of a program or project for which federal financial assistance is available.⁹ The acquiring agency is eligible for federal financial assistance with respect to relocation payments and assistance in the same manner and to the same extent as other program or project costs.¹⁰

9. Section 211 of the federal statute provides:

Sec. 211. (a) The cost to a State agency of providing payments and assistance pursuant to sections 206, 210, 215, and 305, shall be included as part of the cost of a program or project for which Federal financial assistance is available to such State agency, and such State agency shall be eligible for Federal financial assistance with respect to such payments and assistance in the same manner and to the same extent as other program or project costs, except that, notwithstanding any other law in the case where the Federal financial assistance is by grant or contribution the Federal agency shall pay the full amount of the first \$25,000 of the cost to a State agency of providing payments and assistance for a displaced person under sections 206, 210, 215, and 305, on account of any acquisition or displacement occurring prior to July 1, 1972, and in any case where such Federal financial assistance is by loan, the Federal agency shall loan such State agency the full amount of the first \$25,000 of such cost.

(b) No payment or assistance under section 210 or 305 shall be required or included as a program or project cost under this section, if the displaced person receives a payment required by the State law of eminent domain which is determined by such Federal agency head to have substantially the same purpose and effect as such payment under this section, and to be part of the cost of the program or project for which Federal financial assistance is available.

(c) Any grant to, or contract or agreement with, a State agency executed before the effective date of this title, under which Federal financial assistance is available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this Act, shall be amended to include the cost of providing payments and services under sections 210 and 305. If the head of a Federal agency determines that it is necessary for the expeditious completion of a program or project he may advance to the State agency the Federal share of the cost of any payments or assistance by such State agency pursuant to sections 206, 210, 215, and 305.

10. Ibid.

To encourage state and local agencies to comply with the federal requirements as soon as possible, rather than to defer compliance until close to the July 1, 1972, mandatory date, the federal legislation provides that federal financial assistance will be provided to pay the full amount of the first \$25,000 of the cost to the state or local agency of providing relocation payments and assistance for each displaced person.¹¹

In California, a major step towards a uniform, comprehensive scheme for relocation assistance was taken in 1970 when Chapter 16 (Sections 7260 through 7273) of Division 7 of Title 1 of the Government Code was amended to be made applicable to all public entities acquiring property in California except the State Department of Public Works.¹² Both Chapter 16 and the new federal act are patterned after the Federal-Aid Highway Act of 1968.¹³ However, the provisions of the new federal act generally provide for more liberal treatment of persons displaced by a public project than that authorized by Chapter 16.¹⁴ Accordingly, a public entity authorized to provide assistance pursuant to Chapter 16 only would not have authority broad enough to conform to the requirements of the federal act.

11. See Section 211, supra note 9.

12. See Cal. Stats. 1970, Ch. 983, § 1, amending Govt. Code § 7260(a). This section and chapter were formerly restricted to public entities acquiring property in Los Angeles County.

The Department of Public Works provides relocation assistance when acquiring property for state or federal-aid highways pursuant to Sections 156 through 159.5 of the Streets and Highways Code. These sections are substantively similar to Sections 7260 through 7270 of the Government Code.

13. 23 U.S.C.A. §§ 501-511.

14. Compare Sections 202, 203, and 204 of the federal act with Sections 7262, 7263, and 7264 of the Government Code.

RECOMMENDATIONS

The Commission is giving high priority to studies to determine "whether the law and procedure relating to condemnation should be revised with a view to recommending a comprehensive statute that will safeguard the rights of all parties to such proceedings."¹⁵ One area of the law under such study is the area of relocation assistance and compensation generally. The Commission is not presently satisfied that the provisions of either Chapter 16 or the new federal act are wholly adequate to safeguard the rights of the parties affected by them. However, thorough analysis, review, and revision of these provisions is time consuming. The federal act is effective immediately to the extent that nonfederal public entities are able to comply with it. Substantial amounts of federal financial assistance for California residents could be lost by public entities in California if a grant of authority to comply with federal law is delayed. For this reason, the Commission believes that public entities should now be granted discretion to conform to the federal requirements where necessary to secure federal financial assistance. Such discretionary authority should serve to best protect the interests of all persons concerned while the Commission continues to examine this area of the law.

The Commission's recommendation would be effectuated by the enactment of the following measure:

15. See Cal. Stats. 1965, Res. Ch. 130, p. 5289.

An act to add Section 7274 to the Government Code, relating to property acquisitions for public use.

The people of the State of California do enact as follows:

Section 1. Section 7274 is added to the Government Code, to read:

7274. If federal financial assistance is sought by a public entity to finance a project in whole or in part and the appropriate federal agency determines that giving effect to any provision of this chapter would result in limiting or denying such assistance otherwise available for the project, such provision shall at the election of the public entity become inoperative to the extent that it is not in conformity with federal requirements, and, in such case, the public entity is authorized to provide payments and assistance in accordance with the federal requirements.

Comment. Section 7274 is added to prevent conflict with federal requirements where acquisitions are made for a federally assisted project. In such circumstances, the public entity may make payments to persons injuriously affected by the project in conformance with federal requirements if failure to do so would result in the loss of federal financial assistance--grant, loan, or contribution--otherwise available to finance the project. For a somewhat similar provision, see Welfare and Institutions Code Section 11003. See also Recommendation of California Law Revision Commission Relating to Condemnation Law and Procedure: Relocation Assistance (March 1971).

654.110:91-646



Public Law 91-646
91st Congress, S. 1
January 2, 1971

An Act

84 STAT. 1894

To provide for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by Federal and federally assisted programs and to establish uniform and equitable land acquisition policies for Federal and federally assisted programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970".

Uniform Relocation Assistance and Land Acquisition Policies Act of 1970.

TITLE I—GENERAL PROVISIONS

SEC. 101. As used in this Act—

(1) The term "Federal agency" means any department, agency, or instrumentality in the executive branch of the Government (except the National Capital Housing Authority), any wholly owned Government corporation (except the District of Columbia Redevelopment Land Agency), and the Architect of the Capitol, the Federal Reserve banks and branches thereof.

(2) The term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, the Trust Territory of the Pacific Islands, and any political subdivision thereof.

(3) The term "State agency" means the National Capital Housing Authority, the District of Columbia Redevelopment Land Agency, and any department, agency, or instrumentality of a State or of a political subdivision of a State, or any department, agency, or instrumentality of two or more States or of two or more political subdivisions of a State or States.

(4) The term "Federal financial assistance" means a grant, loan, or contribution provided by the United States, except any Federal guarantee or insurance and any annual payment or capital loan to the District of Columbia.

(5) The term "person" means any individual, partnership, corporation, or association.

(6) The term "displaced person" means any person who, on or after the effective date of this Act, moves from real property, or moves his personal property from real property, as a result of the acquisition of such real property, in whole or in part, or as the result of the written order of the acquiring agency to vacate real property, for a program or project undertaken by a Federal agency, or with Federal financial assistance; and solely for the purposes of sections 202(a) and (b) and 205 of this title, as a result of the acquisition of or as the result of the written order of the acquiring agency to vacate other real property, on which such person conducts a business or farm operation, for such program or project.

(7) The term "business" means any lawful activity, excepting a farm operation, conducted primarily—

(A) for the purchase, sale, lease and rental of personal and real property, and for the manufacture, processing, or marketing of products, commodities, or any other personal property;

(B) for the sale of services to the public;

(C) by a nonprofit organization; or

(D) solely for the purposes of section 202(a) of this title, for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of an outdoor advertising display

Definitions.

or displays, whether or not such display or displays are located on the premises on which any of the above activities are conducted.

(8) The term "farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(9) The term "mortgage" means such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of the State in which the real property is located, together with the credit instruments, if any, secured thereby.

EFFECT UPON PROPERTY ACQUISITION

Sec. 102. (a) The provisions of section 301 of title III of this Act create no rights or liabilities and shall not affect the validity of any property acquisitions by purchase or condemnation.

(b) Nothing in this Act shall be construed as creating in any condemnation proceedings brought under the power of eminent domain, any element of value or of damage not in existence immediately prior to the date of enactment of this Act.

TITLE II—UNIFORM RELOCATION ASSISTANCE

DECLARATION OF POLICY

Sec. 201. The purpose of this title is to establish a uniform policy for the fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole.

MOVING AND RELATED EXPENSES

Sec. 202. (a) Whenever the acquisition of real property for a program or project undertaken by a Federal agency in any State will result in the displacement of any person on or after the effective date of this Act, the head of such agency shall make a payment to any displaced person, upon proper application as approved by such agency head, for—

(1) actual reasonable expenses in moving himself, his family, business, farm operation, or other personal property;

(2) actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate such property, as determined by the head of the agency; and

(3) actual reasonable expenses in searching for a replacement business or farm.

(b) Any displaced person eligible for payments under subsection (a) of this section who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (a) of this section may receive a moving expense allowance, determined according to a schedule established by the head of the Federal agency, not to exceed \$300; and a dislocation allowance of \$200.

(c) Any displaced person eligible for payments under subsection (a) of this section who is displaced from his place of business or from his farm operation and who elects to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (a) of this section, may receive a fixed payment in an amount equal to the average annual net earnings of the business or farm operation, except that such payment shall be not less than \$2,500 nor more than \$10,000. In the case of a business no payment shall be made under this subsection unless the head of the Federal agency is satisfied that the business (1) cannot be relocated without a substantial loss of its existing patronage, and (2) is not a part of a commercial enterprise having at least one other establishment not being acquired by the United States, which is engaged in the same or similar business. For purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation, before Federal, State, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operation moves from the real property acquired for such project, or during such other period as the head of such agency determines to be more equitable for establishing such earnings, and includes any compensation paid by the business or farm operation to the owner, his spouse, or his dependents during such period.

REPLACEMENT HOUSING FOR HOMEOWNER

Sec. 203. (a)(1) In addition to payments otherwise authorized by this title, the head of the Federal agency shall make an additional payment not in excess of \$15,000 to any displaced person who is displaced from a dwelling actually owned and occupied by such displaced person for not less than one hundred and eighty days prior to the initiation of negotiations for the acquisition of the property. Such additional payment shall include the following elements:

(A) The amount, if any, which when added to the acquisition cost of the dwelling acquired by the Federal agency, equals the reasonable cost of a comparable replacement dwelling which is a decent, safe, and sanitary dwelling adequate to accommodate such displaced person, reasonably accessible to public services and places of employment and available on the private market. All determinations required to carry out this subparagraph shall be made in accordance with standards established by the head of the Federal agency making the additional payment.

(B) The amount, if any, which will compensate such displaced person for any increased interest costs which such person is required to pay for financing the acquisition of any such comparable replacement dwelling. Such amount shall be paid only if the dwelling acquired by the Federal agency was encumbered by a bona fide mortgage which was a valid lien on such dwelling for not less than one hundred and eighty days prior to the initiation of negotiations for the acquisition of such dwelling. Such amount shall be equal to the excess in the aggregate interest and other debt service costs of that amount of the principal of the mortgage on the replacement dwelling which is equal to the unpaid balance of the mortgage on the acquired dwelling, over the remainder term of the mortgage on the acquired dwelling, reduced to discounted present value. The discount rate shall be the prevailing interest rate paid on savings deposits by commercial banks in the general area in which the replacement dwelling is located.

(C) Reasonable expenses incurred by such displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not including prepaid expenses.

(2) The additional payment authorized by this subsection shall be made only to such a displaced person who purchases and occupies a replacement dwelling which is decent, safe, and sanitary not later than the end of the one year period beginning on the date on which he receives from the Federal agency final payment of all costs of the acquired dwelling, or on the date on which he moves from the acquired dwelling, whichever is the later date.

(b) The head of any Federal agency may, upon application by a mortgagee, insure any mortgage (including advances during construction) on a comparable replacement dwelling executed by a displaced person assisted under this section, which mortgage is eligible for insurance under any Federal law administered by such agency notwithstanding any requirements under such law relating to age, physical condition, or other personal characteristics of eligible mortgagors, and may make commitments for the insurance of such mortgage prior to the date of execution of the mortgage.

REPLACEMENT HOUSING FOR TENANTS AND CERTAIN OTHERS

SEC. 204. In addition to amounts otherwise authorized by this title, the head of the Federal agency shall make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under section 203 which dwelling was actually and lawfully occupied by such displaced person for not less than ninety days prior to the initiation of negotiations for acquisition of such dwelling. Such payment shall be either—

(1) the amount necessary to enable such displaced person to lease or rent for a period not to exceed four years, a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, and reasonably accessible to his place of employment, but not to exceed \$4,000, or

(2) the amount necessary to enable such person to make a downpayment (including incidental expenses described in section 203(a)(1)(C)) on the purchase of a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, but not to exceed \$4,000, except that if such amount exceeds \$2,000, such person must equally match any such amount in excess of \$2,000, in making the downpayment.

RELOCATION ASSISTANCE ADVISORY SERVICES

Sec. 205. (a) Whenever the acquisition of real property for a program or project undertaken by a Federal agency in any State will result in the displacement of any person on or after the effective date of this section, the head of such agency shall provide a relocation assistance advisory program for displaced persons which shall offer the services described in subsection (c) of this section. If such agency head determines that any person occupying property immediately adjacent to the real property acquired is caused substantial economic injury because of the acquisition, he may offer such person relocation advisory services under such program.

(b) Federal agencies administering programs which may be of assistance to displaced persons covered by this Act shall cooperate to the maximum extent feasible with the Federal or State agency causing the displacement to assure that such displaced persons receive the maximum assistance available to them.

(c) Each relocation assistance advisory program required by subsection (a) of this section shall include such measures, facilities, or services as may be necessary or appropriate in order to--

(1) determine the need, if any, of displaced persons, for relocation assistance;

(2) provide current and continuing information on the availability, prices, and rentals, of comparable decent, safe, and sanitary sales and rental housing, and of comparable commercial properties and locations for displaced businesses;

(3) assure that, within a reasonable period of time, prior to displacement there will be available in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings, as defined by such Federal agency head, equal in number to the number of and available to such displaced persons who require such dwellings and reasonably accessible to their places of employment, except that the head of that Federal agency may prescribe by regulation situations when such assurances may be waived;

(4) assist a displaced person displaced from his business or farm operation in obtaining and becoming established in a suitable replacement location;

(5) supply information concerning Federal and State housing programs, disaster loan programs, and other Federal or State programs offering assistance to displaced persons; and

(6) provide other advisory services to displaced persons in order to minimize hardships to such persons in adjusting to relocation.

(d) The heads of Federal agencies shall coordinate relocation activities with project work, and other planned or proposed governmental actions in the community or nearby areas which may affect the carrying out of relocation assistance programs.

HOUSING REPLACEMENT BY FEDERAL AGENCY AS LAST RESORT

Sec. 206. (a) If a Federal project cannot proceed to actual construction because comparable replacement sale or rental housing is not available, and the head of the Federal agency determines that such housing cannot otherwise be made available he may take such action as is necessary or appropriate to provide such housing by use of funds authorized for such project.

(b) No person shall be required to move from his dwelling on or after the effective date of this title, on account of any Federal project, unless the Federal agency head is satisfied that replacement housing, in accordance with section 205(c)(3), is available to such person.

STATE REQUIRED TO FURNISH REAL PROPERTY INCIDENT TO FEDERAL ASSISTANCE (LOCAL COOPERATION)

Sec. 207. Whenever real property is acquired by a State agency and furnished as a required contribution incident to a Federal program or project, the Federal agency having authority over the pro-

gram or project may not accept such property unless such State agency has made all payments and provided all assistance and assurances, as are required of a State agency by sections 210 and 305 of this Act. Such State agency shall pay the cost of such requirements in the same manner and to the same extent as the real property acquired for such project, except that in the case of any real property acquisition or displacement occurring prior to July 1, 1972, such Federal agency shall pay 100 per centum of the first \$25,000 of the cost of providing such payments and assistance.

STATE ACTING AS AGENT FOR FEDERAL PROGRAM

Sec. 208. Whenever real property is acquired by a State agency at the request of a Federal agency for a Federal program or project, such acquisition shall, for the purposes of this Act, be deemed an acquisition by the Federal agency having authority over such program or project.

PUBLIC WORKS PROGRAMS AND PROJECTS OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA AND OF THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Sec. 209. Whenever real property is acquired by the government of the District of Columbia or the Washington Metropolitan Area Transit Authority for a program or project which is not subject to sections 210 and 211 of this title, and such acquisition will result in the displacement of any person on or after the effective date of this Act, the Commissioner of the District of Columbia or the Washington Metropolitan Area Transit Authority, as the case may be, shall make all relocation payments and provide all assistance required of a Federal agency by this Act. Whenever real property is acquired for such a program or project on or after such effective date, such Commissioner or Authority, as the case may be, shall make all payments and meet all requirements prescribed for a Federal agency by title III of this Act.

REQUIREMENTS FOR RELOCATION PAYMENTS AND ASSISTANCE OF FEDERALLY ASSISTED PROGRAM; ASSURANCES OF AVAILABILITY OF HOUSING

Sec. 210. Notwithstanding any other law, the head of a Federal agency shall not approve any grant to, or contract or agreement with, a State agency, under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this title, unless he receives satisfactory assurances from such State agency that—

(1) fair and reasonable relocation payments and assistance shall be provided to or for displaced persons, as are required to be provided by a Federal agency under sections 202, 203, and 204 of this title;

(2) relocation assistance programs offering the services described in section 205 shall be provided to such displaced persons;

(3) within a reasonable period of time prior to displacement, decent, safe, and sanitary replacement dwellings will be available to displaced persons in accordance with section 205(c)(3).

FEDERAL SHARE OF COSTS

SEC. 211. (a) The cost to a State agency of providing payments and assistance pursuant to sections 206, 210, 215, and 305, shall be included as part of the cost of a program or project for which Federal financial assistance is available to such State agency, and such State agency shall be eligible for Federal financial assistance with respect to such payments and assistance in the same manner and to the same extent as other program or project costs, except that, notwithstanding any other law in the case where the Federal financial assistance is by grant or contribution the Federal agency shall pay the full amount of the first \$25,000 of the cost to a State agency of providing payments and assistance for a displaced person under sections 206, 210, 215, and 305, on account of any acquisition or displacement occurring prior to July 1, 1972, and in any case where such Federal financial assistance is by loan, the Federal agency shall loan such State agency the full amount of the first \$25,000 of such cost.

(b) No payment or assistance under section 210 or 305 shall be required or included as a program or project cost under this section, if the displaced person receives a payment required by the State law of eminent domain which is determined by such Federal agency head to have substantially the same purpose and effect as such payment under this section, and to be part of the cost of the program or project for which Federal financial assistance is available.

(c) Any grant to, or contract or agreement with, a State agency executed before the effective date of this title, under which Federal financial assistance is available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this Act, shall be amended to include the cost of providing payments and services under sections 210 and 305. If the head of a Federal agency determines that it is necessary for the expeditious completion of a program or project he may advance to the State agency the Federal share of the cost of any payments or assistance by such State agency pursuant to sections 206, 210, 215, and 305.

ADMINISTRATION—RELOCATION ASSISTANCE IN PROGRAMS RECEIVING
FEDERAL FINANCIAL ASSISTANCE

SEC. 212. In order to prevent unnecessary expenses and duplications of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons under sections 206, 210, and 215 of this title, a State agency may enter into contracts with any individual, firm, association, or corporation for services in connection with such programs, or may carry out its functions under this title through any Federal or State governmental agency or instrumentality having an established organization for conducting relocation assistance programs. Such State agency shall, in carrying out the relocation assistance activities described in section 206, whenever practicable, utilize the services of State or local housing agencies, or other agencies having experience in the administration or conduct of similar housing assistance activities.

REGULATIONS AND PROCEDURES

SEC. 213. (a) In order to promote uniform and effective administration of relocation assistance and land acquisition of State or local housing agencies, or other agencies having programs or projects by

Federal agencies or programs or projects by State agencies receiving Federal financial assistance, the heads of Federal agencies shall consult together on the establishment of regulations and procedures for the implementation of such programs.

(b) The head of each Federal agency is authorized to establish such regulations and procedures as he may determine to be necessary to assure—

(1) that the payments and assistance authorized by this Act shall be administered in a manner which is fair and reasonable, and as uniform as practicable;

(2) that a displaced person who makes proper application for a payment authorized for such person by this title shall be paid promptly after a move or, in hardship cases, be paid in advance; and

(3) that any person aggrieved by a determination as to eligibility for a payment authorized by this Act, or the amount of a payment, may have his application reviewed by the head of the Federal agency having authority over the applicable program or project, or in the case of a program or project receiving Federal financial assistance, by the head of the State agency.

(c) The head of each Federal agency may prescribe such other regulations and procedures, consistent with the provisions of this Act, as he deems necessary or appropriate to carry out this Act.

ANNUAL REPORT

Presidential
report to
Congress.

SEC. 214. The head of each Federal agency shall prepare and submit an annual report to the President on the activities of such agency with respect to the programs and policies established or authorized by this Act, and the President shall submit such reports to the Congress not later than January 15 of each year, beginning January 15, 1972, and ending January 15, 1975, together with his comments or recommendations. Such reports shall give special attention to: (1) the effectiveness of the provisions of this Act assuring the availability of comparable replacement housing, which is decent, safe, and sanitary, for displaced homeowners and tenants; (2) actions taken by the agency to achieve the objectives of the policies of Congress, declared in this Act, to provide uniform and equal treatment, to the greatest extent practicable, for all persons displaced by, or having real property taken for, Federal or federally assisted programs; (3) the views of the Federal agency head on the progress made to achieve such objectives in the various programs conducted or administered by such agency, and among the Federal agencies; (4) any indicated effects of such programs and policies on the public; and (5) any recommendations he may have for further improvements in relocation assistance and land acquisition programs, policies, and implementing laws and regulations.

PLANNING AND OTHER PRELIMINARY EXPENSES FOR ADDITIONAL HOUSING

SEC. 215. In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of displaced persons who are displaced from dwellings because of any Federal or Federal financially assisted project, the head of the Federal agency administering such project is authorized to make loans as a part of the cost of any such project, or to approve loans as a part of the cost of any such project receiving Federal financial assistance, to nonprofit, limited

dividend, or cooperative organizations or to public bodies, for necessary and reasonable expenses, prior to construction, for planning and obtaining federally insured mortgage financing for the rehabilitation or construction of housing for such displaced persons. Notwithstanding the preceding sentence, or any other law, such loans shall be available for not to exceed 80 per centum of the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing, prior to the availability of such financing, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering, preliminary architectural fees, site acquisition, application and mortgage commitment fees, and construction loan fees and discounts. Loans to an organization established for profit shall bear interest at a market rate established by the head of such Federal agency. All other loans shall be without interest. Such Federal agency head shall require repayment of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of a loan if he determines that a permanent loan to finance the rehabilitation or the construction of such housing cannot be obtained in an amount adequate for repayment of such loan. Upon repayment of any such loan, the Federal share of the sum repaid shall be credited to the account from which such loan was made, unless the Secretary of the Treasury determines that such account is no longer in existence, in which case such sum shall be returned to the Treasury and credited to miscellaneous receipts.

PAYMENTS NOT TO BE CONSIDERED AS INCOME

Sec. 216. No payment received under this title shall be considered as income for the purposes of the Internal Revenue Code of 1954; or for the purposes of determining the eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other Federal law.

68A Stat. 3.
26 USC 1
et seq.
49 Stat. 620.
42 USC 1305.

DISPLACEMENT BY CODE ENFORCEMENT, REHABILITATION, AND DEMOLITION PROGRAMS RECEIVING FEDERAL ASSISTANCE

Sec. 217. A person who moves or discontinues his business, or moves other personal property, or moves from his dwelling on or after the effective date of this Act, as a direct result of any project or program which receives Federal financial assistance under title I of the Housing Act of 1949, as amended, or as a result of carrying out a comprehensive city demonstration program under title I of the Demonstration Cities and Metropolitan Development Act of 1966 shall, for the purposes of this title, be deemed to have been displaced as the result of the acquisition of real property.

63 Stat. 414;
68 Stat. 622.
42 USC 1450
et seq.
80 Stat. 1255.
42 USC 3301
note.

TRANSFERS OF SURPLUS PROPERTY

Sec. 218. The Administrator of General Services is authorized to transfer to a State agency for the purpose of providing replacement housing required by this title, any real property surplus to the needs of the United States within the meaning of the Federal Property and Administrative Services Act of 1949, as amended. Such transfer shall be subject to such terms and conditions as the Administrator determines necessary to protect the interests of the United States and may be made without monetary consideration, except that such State agency shall pay to the United States all amounts received by such agency from any sale, lease, or other disposition of such property for such housing.

63 Stat. 377.
40 USC 471
note.

DISPLACEMENT BY A SPECIFIC PROGRAM

Sec. 219. Notwithstanding any other provision of this title, a person—

(1) who moves or discontinues his business, moves other personal property, or moves from his dwelling on or after January 1, 1969, and before the 90th day after the date of enactment of this Act as the result of the contemplated demolition of structures or the construction of improvements on real property acquired, in whole or in part, by a Federal agency within the area in New York, New York, bounded by Lexington and Third Avenues and 31st and 32d Streets; and

(2) who has lived on, or conducted a business on, such real property for at least one year prior to the date of enactment of this Act;

may be considered a displaced person for purposes of sections 202 (a) and (b), 204, and 205 of this title, by the head of the agency acquiring the real property if—

(A) the head of the agency determines that such person has suffered undue hardship as the result of displacement from the real property; and

(B) the Federal Government acquired and held such property for at least five years prior to the date of enactment of this Act.

REPEALS

Sec. 220. (a) The following laws and parts of laws are hereby repealed:

(1) The Act entitled "An Act to authorize the Secretary of the Interior to reimburse owners of lands required for development under his jurisdiction for their moving expenses, and for other purposes," approved May 29, 1958 (43 U.S.C. 1231-1234).

(2) Paragraph 14 of section 203(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473).

(3) Section 2680 of title 10, United States Code.

(4) Section 7(b) of the Urban Mass Transportation Act of 1965 (49 U.S.C. 1606(b)).

(5) Section 114 of the Housing Act of 1949 (42 U.S.C. 1465).

(6) Paragraphs (7)(b)(iii) and (8) of section 15 of the United States Housing Act of 1937 (42 U.S.C. 1415, 1415(8)), except the first sentence of paragraph (8).

(7) Section 2 of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to pay relocation costs made necessary by actions of the District of Columbia government, and for other purposes", approved October 6, 1964 (78 Stat. 1004; Public Law 88-629; D.C. Code 5-729).

(8) Section 404 of the Housing and Urban Development Act of 1965 (42 U.S.C. 3074).

(9) Sections 107 (b) and (c) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3307).

(10) Chapter 5 of title 23, United States Code.

(11) Sections 32 and 33 of the Federal-Aid Highway Act of 1968 (Public Law 90-495).

(b) Any rights or liabilities now existing under prior Acts or portions thereof shall not be affected by the repeal of such prior Acts or portions thereof under subsection (a) of this section.

72 Stat. 152.

76 Stat. 384.

76 Stat. 511.

78 Stat. 305.

78 Stat. 780.

78 Stat. 795.

79 Stat. 486.

80 Stat. 1259.

82 Stat. 830.

23 USC 501.

82 Stat. 835.

23 USC 501

note, 510

note.

EFFECTIVE DATE

SEC. 221. (a) Except as provided in subsections (b) and (c) of this section, this Act and the amendments made by this Act shall take effect on the date of its enactment.

(b) Until July 1, 1972, sections 210 and 305 shall be applicable to a State only to the extent that such State is able under its laws to comply with such sections. After July 1, 1972, such sections shall be completely applicable to all States.

(c) The repeals made by paragraphs (4), (5), (6), (8), (9), (10), (11), and (12) of section 220(a) of this title and section 306 of title III shall not apply to any State so long as sections 210 and 305 are not applicable in such State.

TITLE III—UNIFORM REAL PROPERTY ACQUISITION POLICY

UNIFORM POLICY ON REAL PROPERTY ACQUISITION PRACTICES

SEC. 301. In order to encourage and expedite the acquisition of real property by agreements with owners, to avoid litigation and relieve congestion in the courts, to assure consistent treatment for owners in the many Federal programs, and to promote public confidence in Federal land acquisition practices, heads of Federal agencies shall, to the greatest extent practicable, be guided by the following policies:

(1) The head of a Federal agency shall make every reasonable effort to acquire expeditiously real property by negotiation.

(2) Real property shall be appraised before the initiation of negotiations, and the owner or his designated representative shall be given an opportunity to accompany the appraiser during his inspection of the property.

(3) Before the initiation of negotiations for real property, the head of the Federal agency concerned shall establish an amount which he believes to be just compensation therefor and shall make a prompt offer to acquire the property for the full amount so established. In no event shall such amount be less than the agency's approved appraisal of the fair market value of such property. Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property. The head of the Federal agency concerned shall provide the owner of real property to be acquired with a written statement of, and summary of the basis for, the amount he established as just compensation. Where appropriate the just compensation for the real property acquired and for damages to remaining real property shall be separately stated.

(4) No owner shall be required to surrender possession of real property before the head of the Federal agency concerned pays the agreed purchase price, or deposits with the court in accordance with section 1 of the Act of February 26, 1931 (46 Stat. 1421; 40 U.S.C. 258a), for the benefit of the owner, an amount not less than the agency's approved appraisal of the fair market value of such property, or the amount of the award of compensation in the condemnation proceeding for such property.

(5) The construction or development of a public improvement shall be so scheduled that, to the greatest extent practicable, no person lawfully occupying real property shall be required to move from a dwelling (assuming a replacement dwelling as required by title II will be available), or to move his business or farm operation, without at least ninety days' written notice from the head of the Federal agency concerned, of the date by which such move is required.

(6) If the head of a Federal agency permits an owner or tenant to occupy the real property acquired on a rental basis for a short term or for a period subject to termination by the Government on short notice, the amount of rent required shall not exceed the fair rental value of the property to a short-term occupier.

(7) In no event shall the head of a Federal agency either advance the time of condemnation, or defer negotiations or condemnation and the deposit of funds in court for the use of the owner, or take any other action coercive in nature, in order to compel an agreement on the price to be paid for the property.

(8) If any interest in real property is to be acquired by exercise of the power of eminent domain, the head of the Federal agency concerned shall institute formal condemnation proceedings. No Federal agency head shall intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of his real property.

(9) If the acquisition of only part of a property would leave its owner with an uneconomic remnant, the head of the Federal agency concerned shall offer to acquire the entire property.

BUILDINGS, STRUCTURES, AND IMPROVEMENTS

SEC. 302. (a) Notwithstanding any other provision of law, if the head of a Federal agency acquires any interest in real property in any State, he shall acquire at least an equal interest in all buildings, structures, or other improvements located upon the real property so acquired and which he requires to be removed from such real property or which he determines will be adversely affected by the use to which such real property will be put.

(b) (1) For the purpose of determining the just compensation to be paid for any building, structure, or other improvement required to be acquired by subsection (a) of this section, such building, structure, or other improvement shall be deemed to be a part of the real property to be acquired notwithstanding the right or obligation of a tenant, as against the owner of any other interest in the real property, to remove such building, structure, or improvement at the expiration of his term, and the fair market value which such building, structure, or improvement contributes to the fair market value of the real property to be acquired, or the fair market value of such building, structure, or improvement for removal from the real property, whichever is the greater, shall be paid to the tenant therefor.

(2) Payment under this subsection shall not result in duplication of any payments otherwise authorized by law. No such payment shall be made unless the owner of the land involved disclaims all interest in the improvements of the tenant. In consideration for any such payment, the tenant shall assign, transfer, and release to the United States all his right, title, and interest in and to such improvements. Nothing in this subsection shall be construed to deprive the tenant of any rights to reject payment under this subsection and to obtain payment for such property interests in accordance with applicable law, other than this subsection.

EXPENSES INCIDENTAL TO TRANSFER OF TITLE TO UNITED STATES

SEC. 303. The head of a Federal agency, as soon as practicable after the date of payment of the purchase price or the date of deposit in court of funds to satisfy the award of compensation in a condemnation proceeding to acquire real property, whichever is the earlier, shall reimburse the owner, to the extent the head of such agency deems fair and reasonable, for expenses he necessarily incurred for—

(1) recording fees, transfer taxes, and similar expenses incidental to conveying such real property to the United States;

(2) penalty costs for prepayment of any preexisting recorded mortgage entered into in good faith encumbering such real property; and

(3) the pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting title in the United States, or the effective date of possession of such real property by the United States, whichever is the earlier.

LITIGATION EXPENSES

SEC. 304. (a) The Federal court having jurisdiction of a proceeding instituted by a Federal agency to acquire real property by condemnation shall award the owner of any right, or title to, or interest in, such real property such sum as will in the opinion of the court reimburse such owner for his reasonable costs, disbursements, and expenses, including reasonable attorney, appraisal, and engineering fees, actually incurred because of the condemnation proceedings, if—

(1) the final judgment is that the Federal agency cannot acquire the real property by condemnation; or

(2) the proceeding is abandoned by the United States.

(b) Any award made pursuant to subsection (a) of this section shall be paid by the head of the Federal agency for whose benefit the condemnation proceedings was instituted.

(c) The court rendering a judgment for the plaintiff in a proceeding brought under section 1346(a)(2) or 1491 of title 28, United States Code, awarding compensation for the taking of property by a Federal agency, or the Attorney General effecting a settlement of any such proceeding, shall determine and award or allow to such plaintiff, as a part of such judgment or settlement, such sum as will in the opinion of the court or the Attorney General reimburse such plaintiff for his reasonable costs, disbursements, and expenses, including reasonable attorney, appraisal, and engineering fees, actually incurred because of such proceeding.

62 Stat. 933;
Ante, p. 449.
68 Stat. 1241.

REQUIREMENTS FOR UNIFORM LAND ACQUISITION POLICIES; PAYMENTS OF EXPENSES INCIDENTAL TO TRANSFER OF REAL PROPERTY TO STATE; PAYMENT OF LITIGATION EXPENSES IN CERTAIN CASES

SEC. 305. Notwithstanding any other law, the head of a Federal agency shall not approve any program or project or any grant to, or contract or agreement with, a State agency under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the acquisition of real property on and after the effective date of this title, unless he receives satisfactory assurances from such State agency that—

(1) in acquiring real property it will be guided, to the greatest extent practicable under State law, by the land acquisition policies in section 301 and the provisions of section 302, and

84 STAT. 1907

(2) property owners will be paid or reimbursed for necessary expenses as specified in sections 303 and 304.

REPEALS

79 Stat. 485.
82 Stat. 836.
74 Stat. 502.

Sec. 306. Sections 401, 402, and 403 of the Housing and Urban Development Act of 1965 (42 U.S.C. 3071-3073), section 35(a) of the Federal-Aid Highway Act of 1968 (23 U.S.C. 141) and section 301 of the Land Acquisition Policy Act of 1960 (33 U.S.C. 596) are hereby repealed. Any rights or liabilities now existing under prior Acts or portions thereof shall not be affected by the repeal of such prior Act or portions thereof under this section.

Approved January 2, 1971

LEGISLATIVE HISTORY:

HOUSE REPORT No. 91-1656 (Comm. on Public Works).

SENATE REPORT No. 91-488 (Comm. on Government Operations).

CONGRESSIONAL RECORD:

Vol. 115 (1969): Oct. 23, 27 considered and passed Senate.

Vol. 116 (1970): Dec. 7, considered and passed House, amended.

Dec. 17, Senate agreed to House amendments with amendments.

Dec. 18, House concurred in Senate amendments.

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CONTENTS

	<u>Page</u>
DRAFT STATUTE -----	1
 <u>Government Code</u>	
Chapter 16. Relocation Assistance -----	2
Article 1. Definitions -----	3
§ 7260. Definitions governing construction of chapter -----	3
§ 7261. "Business" -----	4
§ 7262. "Displaced person" -----	5
§ 7263. "Farm operation" -----	6
§ 7264. State Board of Control "governing body" for state agencies -----	7
§ 7265. "Public entity" -----	8
§ 7266. "State" -----	9
Article 2. General Provisions -----	10
§ 7280. Rules and regulations -----	10
§ 7281. Review of determinations as to eligibility or amount of payment -----	12
§ 7282. Status of payments; income tax and public assistance -----	13
§ 7283. Conformity to federal requirements for federal aid projects -----	14
§ 7284. Effect on property acquisition -----	15
§ 7285. Department of Public Works and highway projects excepted -----	16
Article 3. Moving and Related Expenses -----	17
§ 7290. Payment of moving expenses -----	17
§ 7291. In lieu payments for persons displaced from dwelling -----	18

	<u>Page</u>
§ 7292. In lieu payments for persons displaced from business or farm _____	19
§ 7293. Move from dwelling required by acquisition of property used for business or farm operation ____	20
Article 4. Replacement Housing _____	21
§ 7300. Replacement housing for homeowner _____	21
§ 7301. Replacement housing for tenants and certain others	26
§ 7302. Housing replacement by public entity as last resort _____	27
Article 5. Property Acquired for Airport Purposes _____	28
§ 7310. Additional payment to certain owners of "affected property" _____	28
Article 6. Persons Displaced by Code Enforcement, Rehabilitation, and Demolition Programs _____	29
§ 7320. Persons displaced by code enforcement, rehabili- tation, and similar programs _____	29
Article 7. Relocation Advisory Assistance _____	30
§ 7330. Relocation advisory services _____	30
§ 7331. Contracts with public or private agencies _____	31
 <u>Health and Safety Code</u>	
§ 33135 (Conforming amendment) _____	32
§ 33415 (Conforming amendment) _____	33
§ 34014 (Conforming amendment) _____	34
§ 34330 (Conforming amendment) _____	35
 <u>Public Utilities Code</u>	
§ 600 (Repealed) _____	37
§§ 21690.5-21690.17 (Repealed) _____	38
§§ 29110-29117 (Repealed) _____	42
Urgency clause _____	44

The Commission's recommendation would be effectuated by the enactment of the following measure:

An act to repeal Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of, and to add Chapter 16 (commencing with Section 7260) to Division 7 of Title 1 of, the Government Code, to amend Sections 33135, 33415, 34014, and 34330 of the Health and Safety Code, to repeal Article 6 (commencing with Section 600) of Chapter 3 of Part 1 of Division 1 of, Article 4.5 (commencing with Section 21690.5) of Chapter 4 of Part 1 of Division 9 of, and Article 9 (commencing with Section 29110) of Chapter 6 of Part 2 of Division 10 of, the Public Utilities Code, relating to property acquisitions for public use.

The people of the State of California do enact as follows:

Section 1. Chapter 16 (commencing with Section 7260 of Division 7 of Title 1 of the Government Code is repealed.

Sec. 2. Chapter 16 (commencing with Section 7260 is added to Division 7 of Title 1 of the Government Code, to read:

CHAPTER 16. RELOCATION ASSISTANCE

Comment. Chapter 16 is a comprehensive statute designed to cover all cases where property is acquired by a public entity. Only acquisitions by the State Department of Public Works and acquisitions by any entity for state highway or federal-aid highway projects are excluded; these are covered by a separate statute. See Section 7285 and Comment thereto.

All federally assisted state and local programs and projects must satisfy federal standards and requirements for relocation assistance. See Section 210 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). Accordingly, Section 7283 authorizes any public entity which must conform to federal requirements to secure federal assistance to so conform. On the other hand, Chapter 16 generally is designed to provide the relocation assistance scheme most suitable for California--its condemnors, condemnees, and citizens generally. The Commission has determined that, to achieve this objective, it is necessary in some respects to depart from the federal model. The most significant departure is that the granting of assistance under Chapter 16 is completely discretionary on the part of the public entity. This is in sharp contrast to the federal requirement of mandatory payments. Other differences are noted in the Comments to the following sections. See also Recommendation of California Law Revision Commission Relating to Condemnation Law and Procedure: Relocation Assistance (February 1971).

Article 1. Definitions

§ 7260. Definitions governing construction of chapter

7260. The definitions contained in this article govern the construction of this chapter.

§ 7261. "Business"

7261 (a) "Business" means any lawful activity, except a farm operation, conducted primarily:

(1) For the purchase, sale, lease and rental of personal and real property, and for the manufacture, processing, or marketing of products, commodities, or any other personal property;

(2) For the sale of services to the public;

(3) By a nonprofit organization; or

(b) Solely for the purpose of Section 7290, "business" also includes any lawful activity conducted primarily for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of an outdoor advertising display, whether or not such display is located on the premises on which any of the above activities are conducted.

Comment. Section 7261 is substantively identical to Section 101(7) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

§ 7262. "Displaced person"

7262. "Displaced person" means any person lawfully occupying real property who moves from such property, or moves his personal property from such property, as a result of the acquisition of such real property, in whole or in part, by a public entity for a use for which the public entity exercises or could have exercised the right of eminent domain.

Comment. Section 7262 is similar to, but more restrictive than, Section 101(6) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). The term is specifically restricted to persons lawfully occupying the property acquired. This restriction would seem to be implicit under federal law but is made clear by Section 7262. More importantly, "displaced persons" include only those persons who are on the property at the time of acquisition and who are forced to move as a result of the acquisition. Persons who move onto the property after acquisition, as well as those who are allowed to remain on the property until their right to possession terminates independently of the acquisition--e.g., lessees permitted to stay until the term of their lease expires--, are not eligible for relocation assistance.

§ 7263. "Farm operation"

7263. "Farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products in sufficient quantity to be capable of contributing materially to the operator's support.

Comment. Section 7263 defines "farm operation" the same as that term is defined in Section 101(8) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

§ 7264. State Board of Control "governing body" for state agencies

7264. In the case of the state, "governing body" means the State Board of Control.

Comment. Section 7264 makes clear that for the affected state agencies the State Board of Control makes final determinations of eligibility and amounts of payments (Section 7281) and adopts rules and regulations (Section 7280).

§ 7265. "Public entity"

7265. "Public entity" includes the state, the Regents of the University of California, a county, city, city and county, district, public authority, public agency, and any other political subdivision or public corporation in the state.

Comment. Section 7265 eliminates the exception of the Department of Public Works but is otherwise substantively identical to subdivision (a) of former Section 7260. The exception for the Department of Public Works is continued in Section 7265.

§ 7266. "State"

7266. "State" means the state and any office, officer, department, division, bureau, board, commission, or agency of the state.

Article 2. General Provisions

§ 7280. Rules and regulations

7280. (a) The State Board of Control shall adopt rules and regulations to implement payments under this chapter by the state. The governing bodies of public entities other than the state are authorized to adopt rules and regulations to implement payments under this chapter by such entities.

(b) The rules and regulations adopted pursuant to this section may include any rules and regulations necessary or desirable under federal laws and the rules and regulations promulgated thereunder.

(c) The rules and regulations adopted pursuant to this section shall include provisions relating to all of the following:

(1) The eligibility of displaced persons for relocation assistance payments, the procedure for such persons to claim such payments, and the amounts thereof.

(2) A moving expense allowance, as provided in Section 7291, for a displaced person who moves from a dwelling, determined according to a schedule, not to exceed three hundred dollars (\$300).

(3) The definition of the term "average annual net earnings" used in Section 7292.

(4) The standards for decent, safe, and sanitary dwellings.

(5) The definition of the term "mortgage" used in Section 7300.

(6) A schedule for interest differential payments.

(7) The procedure for an aggrieved person to have his determination of eligibility or amount of payment reviewed by the governing body of the public entity.

§ 7280

(d) Where a public entity has not adopted rules and regulations to govern its practices and procedures under this chapter, the rules and regulations adopted by the county in which the property being acquired is located shall apply to the extent they can be applied. If such county has not adopted applicable rules and regulations, the rules and regulations adopted by the State Board of Control shall apply to the extent they can be applied.

Comment. Section 7280 designates the rule-making body for each public entity. Section 7280 permits flexibility in rule making by each entity to fit the needs of its situation. It is anticipated, however, that most entities will pattern their rules and procedures after those adopted by the Board of Control. The section also makes clear which rules are applicable in the absence of adoption of rules by a particular entity.

§ 7281. Review of determinations as to eligibility or amount of payment

7281. Any person aggrieved by a determination as to eligibility for a payment authorized by this chapter, or the amount of a payment, may have his application reviewed by the governing body of the public entity, and the decision of the governing body is final.

Comment. Section 7281 is substantially identical to former Section 7266. See also subsection (b)(3) of Section 213 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

§ 7282. Status of payments; income tax and public assistance

7282. No payment received by any person under this chapter shall be considered as income for the purposes of 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, nor shall such payments be considered as income or resources to any recipient of public assistance and such payments shall not be deducted from the amount of aid to which the recipient would otherwise be entitled under Part 3 (commencing with Section 11000) of Division 9 of the Welfare and Institutions Code.

Comment. Section 7282 is identical to former Section 7269. For a comparable provision, see Section 216 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

§ 7283. Conformity to federal requirements for federal aid projects

7283. If federal financial assistance is sought by a public entity to finance a project in whole or in part and the appropriate federal agency determines that giving effect to any provision of this chapter would result in limiting or denying such assistance otherwise available for the project, such provision shall at the election of the public entity become inoperative to the extent that it is not in conformity with federal requirements, and, in such case, the public entity is authorized to provide payments and assistance in accordance with the federal requirements.

Comment. Section 7283 is added to prevent conflict with federal requirements where acquisitions are made for a federally assisted project. In such circumstances, the public entity may make payments to persons injuriously affected by the project in conformance with federal requirements if failure to do so would result in the loss of federal financial assistance--grant, loan, or contribution--otherwise available to finance the project. For a somewhat similar provision, see Welfare and Institutions Code Section 11003.

§ 7284. Effect on property acquisition

7284. (a) The failure of a public entity to comply with any provision of this chapter in no way affects the validity of any property acquisition by such entity.

(b) Nothing in this chapter creates in any condemnation proceeding brought under the power of eminent domain any element of value or of damage.

Comment. Section 7284 is substantively the same as Section 102 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). Subdivision (b) continues the substance of former Section 7270.

§ 7285. Department of Public Works and highway projects excepted

7285. This chapter does not apply to acquisitions by the Department of Public Works or to any acquisition for a state highway or federal-aid highway project.

Comment. The acquisitions excepted by Section 7285 are covered by a separate statute. See Article 3.5 (commencing with Section 156) of Chapter 1 of Division 1 of the Streets and Highways Code.

Article 3. Moving and Related Expenses

§ 7290. Payment of moving expenses

7290. As a part of the cost of the program or project for which the property is acquired, the public entity may, in its discretion, compensate a displaced person for all or any of the following:

(a) Actual reasonable expenses in moving himself, his family, business, farm operation, or other personal property. The compensable expenses of moving tangible personal property shall not exceed the value of such property.

(b) Actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate such property.

(c) Actual reasonable expenses in searching for a replacement business or farm.

Comment. Section 7290 is patterned after subsection (a) of Section 202 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). However, Section 7290 merely authorizes a public entity to make the listed payments; payment is not required as provided under federal law. Moreover, it should be noted that Section 7281 makes the decision of the governing body of the public entity final on determinations as to eligibility for or amount of payment.

A second sentence is added to subdivision (a) to make clear that a public entity will not pay moving expenses in excess of the value of the property moved. This seems implicit in the requirement of "reasonable" expense.

§ 7291. In lieu payments for persons displaced from dwelling

7291. As a part of the cost of the program or project for which the property is acquired, a public entity may, in its discretion, either pay any displaced person who is displaced from a dwelling or permit any such displaced person to elect to receive a moving expense allowance, determined according to a schedule, but not to exceed three hundred dollars (\$300), and a dislocation allowance not to exceed two hundred dollars (\$200), in lieu of the payments authorized by Section 7290.

Comment. Section 7291 is derived from subsection (b) of Section 202 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). However, Section 7291 operates only at the discretion of the public entity. Under Sections 7290 and 7291, a public entity may choose one of several alternatives: (1) It may pay nothing at all; (2) it may pay only actual reasonable moving expenses (§ 7290); (3) it may pay only a moving expense allowance and a dislocation allowance (§ 7291); or (4) it may permit an eligible person to choose between payment under Section 7290 and payment under Section 7291.

§ 7292. In lieu payments for persons displaced from business or farm

7292. (a) As a part of the cost of the program or project for which the property is acquired, a public entity may, in its discretion, permit any displaced person who is displaced from his place of business or from his farm operation to elect to receive a fixed payment in an amount equal to the average annual net earnings of the business or farm operation, but not to exceed ten thousand dollars (\$10,000), in lieu of the payment authorized by Section 7290.

(b) In case of a business, no payment shall be made under this section unless the business:

(1) Cannot be relocated without a substantial loss of its existing patronage; and

(2) Is not a part of a commercial enterprise having at least one other establishment not being acquired by the public entity which is engaged in the same or similar business.

Comment. Section 7292 is derived from subsection (c) of Section 202 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). However, the public entity has complete discretion to permit or deny an election to receive the payments authorized here. No minimum payment is authorized, and the earnings upon which the payment is based are only those earnings derived from the property from which the person is displaced. See also Section 7280(c)(3) ("average annual net earnings" to be defined by regulation).

§ 7293. Move from dwelling required by acquisition of property used for business or farm operation

7293. Whenever the acquisition of real property used by a person for a business or farm operation causes such person to move from other real property used for his dwelling, or to move his personal property from such other real property, as a part of the cost of the program or project for which the property was acquired, the public entity may, in its discretion, pay such person for moving and related expenses under Sections 7290 and 7291 and provide such person with relocation advisory assistance under Section 7330.

Comment. Section 7293 makes clear that a public entity which displaces a farm or business, thus causing the owner to also move from his dwelling, is authorized to pay such owner for the expense of moving both his business or farm and his residence even though the property on which he resides is not acquired. No comparable provision is contained in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971). However, the provision is consistent with the intent of the federal statute. See House Comm. on Public Works, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, H.R. Rep. No. 1656, 91st Cong., 2d Sess. (1970) at 8 (displaced owner-occupant of a multifamily dwelling), 11-12 (displaced owner-occupant of building used as dwelling and for business purposes).

Article 4. Replacement Housing

§ 7300. Replacement housing for homeowner

7300. (a) In addition to the payment authorized by Article 3 (commencing with Section 7290), as a part of the cost of the program or project for which the property was acquired, the public entity may, in its discretion, make an additional payment not in excess of \$15,000 to any displaced person who is displaced from a dwelling actually owned and occupied by such displaced person for not less than one hundred eighty (180) days prior to the first written offer for the acquisition of the property. Such additional payment may include any or all of the following elements:

(1) The amount, if any, which when added to the price [compensation] paid by the public entity for the dwelling acquired by it, equals the reasonable cost of a comparable replacement dwelling which is a decent, safe, and sanitary dwelling adequate to accommodate such displaced person, reasonably accessible to public services and places of employment, and available on the private market.

(2) The amount, if any, which will compensate such displaced person for any increased interest costs which such person is required to pay for financing the acquisition of any such comparable replacement dwelling. Such amount may be paid only if the dwelling acquired by the public entity was encumbered by a bona fide mortgage which was a valid lien on such dwelling for not less than one hundred eighty (180) days prior to the first written offer for the acquisition of such dwelling. [Such amount shall be equal to the excess in the aggregate interest and other debt service costs of that amount of the principal of the mortgage on the replacement dwelling which is equal to the unpaid balance of the

mortgage on the acquired dwelling, over the remainder term of the mortgage on the acquired dwelling, reduced to discounted present value. The discount rate shall be the prevailing interest rate paid on savings deposits by commercial banks in the general area in which the replacement dwelling is located.]

(3) The amount, if any, which will compensate the displaced person for reasonable expenses incurred by such displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling.

(b) The additional payment authorized by this section may be made only to such a displaced person who purchases and occupies a replacement dwelling not later than the end of the one-year period beginning on the date on which he receives final payment from the public entity of all compensation for the acquired dwelling, or the date on which he moves from the acquired dwelling, whichever is the later date.

Comment. Section 7300 is based on subsection (a) of Section 203 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S.1, Jan. 2, 1971). However, payment under Section 7300 is discretionary while payment under the federal act is mandatory. Moreover, Section 7300 permits a public entity to adopt its own schedules and formulas for determining the amount of payment, if any, made pursuant to this section. See Section 7280(c)(4)(standards for decent, safe, and sanitary dwelling), (5)(mortgage), (6)(interest differential payments schedule).

For the background that led to the enactment of Section 203 of the federal statute upon which Section 7300 is based and an explanation of Section 203, see House Comm. on Public Works, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, H.R. Rep. No. 1656, 91st Cong., 2d Sess. 10-12 (1970), stating:

This section builds upon the principle, recognized for the first time in any nationwide program in the Federal-Aid Highway Act of 1968 (Sec. 506(a)) and subsequently adopted in programs of the Department of Housing and Urban Development, that, at least within specified limits, a displaced home owner should not be left worse off economically than he was before displacement, and should be able to relocate in a comparable dwelling which is decent, safe and sanitary, and adequate to accommodate him, within standards established by the head of the Federal agency having authority over the program for which he is displaced.

The additional payment, not to exceed \$5,000, authorized by that Act as a supplement to the market value payment for real property under traditional eminent domain concepts, represented a substantial advance in the field of relocation legislation. Its primary value, however, has been to displaced persons in locations where comparable and decent replacement housing is available, or can readily be made available, at somewhat higher prices than the market value payments for the dwellings acquired for a program or project. In these locations, the supplemental payment often is sufficient to cover the housing cost differential and, if broadly administered, could cover closing costs and, to some degree, the loss of favorable financing.

However, it is evident that this does not provide the means for solving the more difficult relocation problems, especially in large heavily populated urban areas, as well as in rural areas, where an adequate supply of such housing is not available and cannot be developed to sell at prices, and at terms, including monthly debt service costs, which displaced persons can afford. In these instances, even if the full \$5,000 supplement were made available to such a person the total amount available would not be adequate to stimulate the development of the necessary additional housing, and may contribute to increased prices for whatever limited housing is available. Consequently, in some cases the objective of the 1968 Act has not been met, and important projects continue to be delayed or stopped.

This section therefore authorizes a supplemental payment to any person displaced for a Federal project (section 210 makes the same payments available to Federal financially assisted projects)

* * * * *

To facilitate the administration of this provision, the determination of the amount of the payment may be based upon a schedule adopted by such Federal agency head, which shall be computed by taking into account the foregoing factors.

The following shows the calculation of a payment for increased interest costs:

Example of computation of payment for increased interest cost

DWELLING TO BE ACQUIRED	
Acquisition price.....	\$12,000.00
Existing mortgage:	
Interest rate (percent).....	6
Remaining term (years).....	10
Remaining principal balance.....	\$7,295.93
Monthly principal and interest payment.....	\$81.02
Owner's equity.....	\$4,704.07

AVAILABLE COMPARABLE DECENT, SAFE, AND SANITARY DWELLING	
Price.....	\$15,000.00
Prevailing interest rate (percent).....	8
Supplemental payment for replacement housing cost differential.....	\$3,000.00
Payment for increased interest cost.....	\$700.00

COMPUTATION OF PAYMENT FOR INCREASED INTEREST COST	
Monthly principal and interest cost for new mortgage of \$7,295.93— for 10 years at 8 percent interest.....	\$88.57
Monthly principal and interest cost for existing mortgage of \$7,295- .93—for 10 year at 6 percent interest.....	\$81.02
Monthly interest difference.....	7.55
Present worth of \$7.55 monthly interest difference for 10 years, dis- counted at the assumed interest rate paid on savings deposits, at 5 percent.....	\$700.00
Increased interest cost payment due property owner.....	\$700.00

(3) An amount to compensate the home owner for reasonable costs of evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not for prepaid expenses.

To qualify for any payment under this section, a displaced person must move from a dwelling owned and occupied by him for not less than 180 days before the initiation of negotiations for the acquisition of the property. The dwelling may be a single family building, a one-family unit in a multi-family building, a unit of a condominium or cooperative housing project, or any other residential unit, including a mobile home which either is considered to be real property under state law, cannot be moved without substantial damage or unreasonable cost, or is not a decent, safe and sanitary dwelling; and it is "owned" by the displaced person, if he holds the fee title, a life estate, a 99 year lease, or a lease with not less than 50 years to run from the date of the acquisition of the property or has an interest in a cooperative housing project which includes the right of occupancy of a dwelling unit, or is the contract purchaser of any of such estates or interests.

In addition, subsection (a)(2) provides that such a payment shall be made only to a displaced person who purchases and occupies a decent, safe, and sanitary replacement dwelling not later than the end of the one-year period beginning on the date on which he receives from the Federal agency final payment of all costs of the acquired dwelling, or the date on which he moves from the acquired dwelling, whichever is the later date.

Any dwelling which meets the standards established by the head of the Federal agency concerned, including a unit of a condominium or cooperative housing project, or where appropriate a mobile home, may be a replacement dwelling. A displaced person "purchases" such a dwelling within the intent of such subsection whether he acquires an existing dwelling, purchases and rehabilitates a substandard dwelling, relocates, or relocates and rehabilitates an existing dwelling, constructs a new dwelling, contracts to purchase a dwelling to be constructed on a site provided by a builder or developer, or enters into a contract for the construction of a dwelling on a site which he owns or acquires for the purpose.

The Committee recognizes that there may be instances in which the completion of construction or rehabilitation of a replacement dwelling may be delayed, for reasons not within the reasonable control

of the displaced person, beyond the date by which occupancy is required by such subsection. Where this occurs, the head of the Federal agency concerned may determine the date of occupancy as the date that the displaced person enters into a contract for such construction or rehabilitation, or for the purchase, upon completion, of a dwelling to be constructed or rehabilitated on a site provided by a builder or developer, if in fact the displaced person occupies the replacement dwelling when the construction or rehabilitation is completed.

Such a determination should rarely be necessary since ordinarily the displacement will not occur until the replacement dwelling is ready. The Committee has in mind, however, the situation where, for example, although existing comparable replacement dwellings may be available, the displaced person prefers to enter into a contract to purchase a dwelling to be constructed in a subdivision, or contracts for the construction of a dwelling on a site which he owns or acquires for the purpose. In such a case, the schedule for construction of the project may make it necessary for him to move to temporary quarters before the new dwelling is available. The discretionary authority of the head of the Federal agency to recognize an earlier date of occupancy in such a case can preserve the displaced homeowner's options in obtaining a replacement dwelling, without adversely affecting the progress on, or increasing the cost of, the program or project.

Whenever a displaced person is eligible for a payment under this section except that he has not yet purchased a replacement dwelling, the head of the Federal agency concerned shall at the request of the displaced person provide a written statement to any interested person, financial institution or lending agency as to such person's eligibility for a payment and the requirements that must be satisfied before such payment can be made. If the proposed replacement dwelling has been selected or if plans and specifications are available for the construction or rehabilitation of a proposed dwelling the agency shall, after inspecting the dwelling or plans and finding that they meet the required standards, include such finding and the amount of the payment to be available in such statement.

Any payment to a displaced person who is required to move from a one-family unit of a multi-family building owned by such person, will be based on the cost of a comparable one-family unit in a multi-family building or a single-family structure, without regard to the number of units in his building. No payment under this section will affect any displaced person's eligibility to receive a payment under ~~section 7292~~ for business earnings attributable to rental units or other legitimate business activities conducted in portions of the building not included in his dwelling. [See Section 7293.]

When two or more individuals living together in a single-family dwelling are displaced from a dwelling, they will be regarded as one displaced person for the purposes of this section, or ~~section 7291~~, and ~~section 7292~~. Each such individual, however, may receive a payment for actual moving expenses and losses under ~~section 7291~~.

[Sections 7290-7292]

[Section 7301]

[Section 7302]

[Section 7291]

[Section 7290]

§ 7301. Replacement housing for tenants and certain others

7301. In addition to the payment authorized by Article 3 (commencing with Section 7290), as a part of the cost of the program or project for which the property was acquired, the public entity may, in its discretion, make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under Section 7300, which dwelling was actually and lawfully occupied by such displaced person for not less than ninety (90) days prior to the first written offer for acquisition of such dwelling. Such payment may be either:

(a) The amount necessary to enable such displaced person to lease or rent for a period not to exceed four years a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, and reasonably accessible to his place of employment, not to exceed four thousand dollars (\$4,000); or

(b) The amount necessary to enable such person to make a downpayment, including incidental expenses described in paragraph (3) of subdivision (a) of Section 7300, on the purchase of a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, but not to exceed four thousand dollars (\$4,000) except that, if such amount exceeds two thousand dollars (\$2,000), such person must equally match any such amount in excess of two thousand dollars (\$2,000) in making the downpayment.

Comment. Section 7301 is substantively identical to Section 204 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971) except that the payment under Section 7301 is discretionary while the payment under the federal act is mandatory.

§ 7302. Housing replacement by public entity as last resort

7302. When the program or project for which property is required cannot proceed to actual construction because comparable replacement sale or rental housing is not available and the governing body of the public entity determines that such housing cannot otherwise be made available, it may take such action as is necessary or appropriate to provide such housing by use of funds authorized for such program or project.

Comment. Section 7302 is substantively identical to subdivision (a) of Section 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

Article 5. Property Acquired for Airport Purposes

§ 7310. Additional payment to certain owners of "affected property"

7310. (a) As used in this section, "affected property" means real property which is immediately contiguous to real property acquired by a public entity for airport purposes and which actually declines in fair market value because of the acquisition by the public entity and a change in the use of the real property acquired.

(b) In addition to the payment authorized by Article 3 (commencing with Section 7290), as a cost of the program or project for which the property was acquired, the public entity may, in its discretion, make a payment to any owner of affected property if the owner has owned the affected property for not less than one year prior to the first written offer for acquisition of the acquired property.

(c) Such payment shall not exceed the lesser of five thousand dollars (\$5,000) or an amount equal to the actual decline in the fair market value of the affected property caused by the acquisition by the public entity and a change in the use of the acquired property.

(d) The amount, if any, of actual decline in fair market value of the affected property shall be determined according to rules and regulations adopted by the public entity pursuant to this chapter. Such rules and regulations shall limit payment under this section only to such circumstances in which the decline in fair market value of the affected property is reasonably related to objective physical change in the use of acquired property.

Article 6. Persons Displaced by Code Enforcement,
Rehabilitation, and Demolition Programs

§ 7320. Persons displaced by code enforcement, rehabilitation, and similar programs

7320. The governing body of any public entity may, in its discretion, make payments and provide services substantially equivalent to those provided to displaced persons under this chapter to a person who moves or discontinues his business, or moves other personal property, or moves from his dwelling, as a direct result of rehabilitation or demolition projects or programs, or enforcement of building codes, or similar projects or programs.

Comment. Section 7320, which provides discretionary authority to make payments and to provide relocation services to certain persons, is based on Section 217 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

Article 7. Relocation Advisory Assistance

§ 7330. Relocation advisory services

7330. (a) A public entity is authorized to give relocation advisory services to any person, business, or farm operation:

(1) Displaced by the acquisition of real property by the public entity; or

(2) Occupying property adjacent to real property acquired by the public entity who is caused substantial economic injury because of the acquisition.

(b) The public entity may provide, but is not limited to, the measures, facilities, and services listed in subsection (c) of Section 205 of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

Comment. Section 7330 gives all public entities authority to provide relocation advisory assistance. The section grants broad authority to do whatever is necessary to comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

§ 7331. Contracts with public or private agencies

7331. In order to prevent unnecessary expenses and duplications of functions and to promote uniform and effective administration of relocation assistance programs for displaced persons under this chapter, a public entity may enter into a contract with any individual, firm, association, or corporation for services in connection with such program, or may carry out its functions under this chapter through any federal, state, or local governmental agency having an established organization for conducting relocation assistance programs. Any public entity may, in carrying out its relocation assistance activities, utilize the services of state or local housing agencies or other agencies having experience in the administration or conduct of similar housing assistance activities.

Comment. Section 7331 is based on, and implements, Section 212 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 91st Cong., S. 1, Jan. 2, 1971).

Health and Safety Code § 33135. (conforming amendment)

Sec. 3. Section 33135 of the Health and Safety Code is amended to read:

33135. Upon request from and at the expense of any public body, an agency may, outside any survey area, with the approval of the legislative body, provide (1) relocation assistance to persons displaced by governmental action, and (2) aid and assistance to property owners in connection with rehabilitation loans and grants. Nothing in this section exempts an agency from compliance with the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

Comment. The provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code establish minimum standards of relocation assistance with which all public entities must comply.

Health and Safety Code § 33415. (conforming amendment)

Sec. 4. Section 33415 of the Health and Safety Code is amended to read:

33415. (a) An agency may make relocation payments to or with respect to persons (including families, business concerns, and others) displaced by a redevelopment project, for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government. Nothing in this section exempts an agency from compliance with the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

~~(b) -- An agency in a county having a population of more than four million persons may make any of the payments authorized by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code, including the making of such payments financed by the federal government.~~

Comment. The provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code establish minimum standards of relocation assistance with which all public entities must comply.

Health and Safety Code § 34014. (conforming amendment)

Sec. 5. Section 34014 of the Health and Safety Code is amended to read:

34014. Property in a disaster area may be acquired by a redevelopment agency under this part and the agency may demolish and remove any structures on the property, pay all costs related to the acquisition, demolition, or removal, including any administrative or relocation expenses and assume the responsibility to bear any loss that may arise as the result of the exercise of authority under this part without the necessity of meeting any condition precedent to such activities prescribed by the Community Redevelopment Law. Property acquired under this part may be acquired in any manner permitted by the Community Redevelopment Law. Nothing in this section exempts a redevelopment agency from compliance with the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

Comment. The provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code establish minimum standards of relocation assistance with which all public entities must comply.

Health and Safety Code § 34330. (conforming amendment)

Sec. 6. Section 34330 of the Health and Safety Code is amended to read:

34330. An authority shall have the power to:

(a) Assist in relocating in suitable housing accommodations at rentals within their means persons of low income who have been or will be deprived of dwellings within areas or buildings which have been or will be cleared or demolished. In connection with any project, an authority shall maintain or provide for the maintenance of tenant placement service in which there shall be recorded lists of untenanted, suitable dwellings available to persons of low income and shall furnish such information to such persons. An authority shall from time to time make studies and surveys of dwelling units which may become unoccupied and available to persons of low income and shall also make arrangements with owners and lessors of such dwellings for registration thereof with the tenant placement service. In connection with any project, an authority may pay so much of the necessary cost of removal of persons of low income, and of business or commercial tenants, from the area or buildings to be cleared for the development of the project to suitable locations in such cases and in such amounts as may be approved by the authority. Removal costs so paid by an authority shall be included in the project cost. Nothing in this subdivision exempts an authority from compliance with the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

(b) Exercise the powers set forth in subdivision (a), in connection with the relocation of persons of low income who are displaced by any public or private improvement within its area of operation. The financing of such relocation activities by an authority shall be arranged by contract with the public or private agency undertaking the improvement which makes such relocation necessary.

(c) Admit to a dwelling in any project of the authority any person or persons residing in an area or building to be cleared or demolished as described in subdivision (a) or (b), if the probable aggregate annual income of such person or persons does not exceed the income limit for continued occupancy established by the authority for the dwelling to which such person or persons is admitted.

Comment. The provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code establish minimum standards of relocation assistance with which all public entities must comply.

Public Utilities Code § 600. (repealed)

Sec. . 7. Article 6 (commencing with Section 600) of Chapter 3 of Part 1 of Division 1 of the Public Utilities Code is repealed.

Comment. Article 6 (consisting of only one section--Section 600) is superseded by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

Note: The repealed section read as follows:

600. A public utility acquiring real property in a county having a population of more than four million persons by eminent domain is authorized to give relocation advisory assistance and to make any of the payments authorized by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code. For the purposes of this section, a public utility shall be considered to be a "public entity" other than a state agency, as defined by Section 7260 of the Government Code.

Public Utilities Code §§ 21690.5-21690.17. (repealed)

Sec. 8. Article 4.5 (commencing with Section 21690.5) of Chapter 4 of Part 1 of Division 9 of the Public Utilities Code is repealed.

Comment. Article 4.5 (commencing with Section 21690.5) of Chapter 4 of Part 1 of Division 9 of the Public Utilities Code which provided relocation assistance for persons displaced for airport purposes is superseded by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

Note: The repealed sections read as follows:

21690.5. This article may be cited as the "California Legislature Airports, Airways and Airport Terminals Development and Relocation Act of 1969."

21690.6. The Legislature hereby finds that the state's airport and airway system is inadequate to meet current and projected growth in aviation and that substantial expansion and improvement of the system is required to meet the demands of interstate and intrastate commerce, the postal service and the national defense. The Legislature finds that users of air transportation are capable of making a greater financial contribution to the expansion and improvement of the system through increased user fees. The Legislature finds, however, that such users should not be required to provide all of the funds necessary for future development of the system, and that revenues obtained from the general taxpayer will continue to be required to pay for the use of such facilities by the military and for the value to national defense and the general public benefit in having a safe, efficient airport and airway system available and fully operational in the event of war or national emergency. The Legislature also finds that the continued development and expansion of an adequate and up-to-date comprehensive state airport and airway system will require the acquisition of agricultural, residential, commercial, industrial and miscellaneous types of properties for the same; and that many persons and business will have to be relocated. The Legislature finds further that it is in the best interests of the people of the State of California to help all those persons forced to relocate when airport expansion and construction requires them to lose their businesses and homes. It is the purpose of this act to provide the means by which adequate compensation and immediate assistance will be provided for relocation and moving expenses and other costs involved in the necessary moving of a business or home to make way for airport expansion and development.

§§ 21690.7, 21690.8,
21690.9, 21690.10

21690.7. (a) "Displaced person" means any individual, family, business or farm operation which moves from real property acquired for federal, state or local airport expansion and development.

(b) "Individual" means a person who is not a member of a family.

(c) "Family" means two or more persons living together in the same dwelling unit who are related to each other by blood, marriage, adoption or legal guardianship.

(d) "Business" means any lawful activity conducted primarily for the purchase and resale, manufacture, processing or marketing of products, commodities, or other personal property, or for the sale of services to the public, or by a nonprofit corporation.

(e) "Farm operation" means any activity conducted primarily for the production of one or more agricultural products or commodities for sale and home use, and customarily producing such commodities or products in sufficient quantity to be capable of contributing materially to the operator's support.

(f) "Airport expansion and development" means the construction, alteration, improvement, or repair of airport hangars; airport passenger or freight terminal buildings and other building required for the administration of an airport; public parking facilities for passenger automobiles; roads within the airport boundaries; and any acquisition of land adjacent to or in the immediate vicinity of a public airport, including any interest therein, or any easement through or any other interest in airspace, for the purpose of assuring that activities and operations conducted thereon will be compatible with normal airport operations.

(g) "Public entity" includes the state, the Regents of the University of California, a county, city, city and county, district, public authority, public agency, and any other political subdivision or public corporation in the state when acquiring real property or any interest therein for airport expansion and development, except the Department of Public Works of this state.

21690.8. The payment of moving expenses shall be made to eligible persons in accordance with the provisions of this act and such rules and regulations as shall be adopted by the public entity.

21690.9. The public entity is authorized to adopt rules and regulations to implement the payment of moving expenses as authorized by this act. Such rules and regulations may include provisions authorizing payments to individuals and families of fixed amounts not to exceed two hundred dollars (\$200) in lieu of their respective reasonable and necessary moving expenses.

21690.10. The public entity is authorized to give relocation advisory assistance to any individual, family, business or farm operation displaced because of the acquisition of real property for any state or federal airport project.

§§ 21690.11, 21690.12,
21690.13

21690.11. In giving relocation advisory assistance, the public entity may establish a local relocation advisory assistance office to assist in obtaining replacement facilities for individuals, families and businesses affected by airport expansion or development.

21690.12. (a) As a part of the cost of construction the public entity may compensate a displaced person for his actual and reasonable expenses in moving himself, family, business or farm operation, including moving personal property.

(b) Any displaced person who moves from a dwelling may elect to receive in lieu of his actual and reasonable moving expenses a moving expense allowance, determined according to a schedule established by the public entity not to exceed two hundred dollars (\$200), and in addition a dislocation allowance of one hundred dollars (\$100).

(c) Any displaced person who moves or discontinues his business or farm operation may elect to receive in lieu of his actual and reasonable moving expenses a fixed relocation payment in an amount equal to the average annual net earnings of the business or farm operation, or five thousand dollars (\$5,000), whichever is lesser. In the case of a business, no payment shall be made under this subdivision unless the public entity is satisfied that the business cannot be relocated without a substantial loss of patronage, and is not a part of a commercial enterprise having at least one other establishment, not being acquired, which is engaged in the same or similar business. For purposes of this subdivision, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation, before federal, state and local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operation moves from the real property acquired for such project, and includes compensation paid by the business or farm operation to the owner, his spouse, or his dependents during such two-year period. To be eligible for the payment authorized by this subdivision the business or farm operation must make its state income tax returns available and its financial statements and accounting records available for audit for confidential use to determine the payment authorized by this subdivision.

21690.13. In addition to the payments authorized by Section 21690.12, the public entity, as a part of the cost of construction, may make a payment to the owner of real property acquired for an airport project, which is improved with a single-, two- or three-family dwelling actually owned and operated by the owner for not less than one year prior to the first written offer for the acquisition of such property. Such payment shall be the amount, if any, which, when added to the acquisition payment, equals the average price required for a comparable dwelling determined, in accordance with standards established by the public entity, to be a decent, safe, and sanitary dwelling adequate to accommodate the displaced owner, reasonably accessible to public services and place of employment and available on the market. Such payment shall be made only to the displaced owner who purchases a dwelling, that meets standards established by the public entity, within one year subsequent to the date on which he is required to move from the dwelling acquired for the project.

§§ 21690.14, 21690.15,
21690.16, 21690.17

21690.14. In addition to the payment authorized by Section 21690.12, as a part of the cost of construction, the public entity may make a payment to any individual or family displaced from any dwelling not eligible to receive a payment under Section 21690.13, which dwelling was actually and lawfully occupied by such individual or family for not less than 90 days prior to first written offer for the acquisition of such property. Such payment, not to exceed one thousand five hundred dollars (\$1,500), shall be the additional amount which is necessary to enable such individual or family to lease or rent for a period not to exceed two years, or to make the downpayment on the purchase of a decent, safe, and sanitary dwelling of standards adequate to accommodate such individual or family in areas not generally less desirable in regard to public utilities and public and commercial facilities.

21690.15. Any displaced person aggrieved by a determination as to eligibility for a payment authorized by this act, or the amount of a payment, may have his application reviewed by the public entity. This review shall include the right to the appointment of an independent appraiser approved by the owner to review the amount of the award under Section 21690.13.

21690.16. The public entity is authorized to adopt rules and regulations relating to relocation assistance as may be necessary or desirable under state and federal laws and the rules and regulations promulgated thereunder. Such rules and regulations shall include provisions relating to:

(a) A moving expense allowance, as provided in Section 21690.12, subdivision (b), for a displaced person who moves from a dwelling, determined according to a schedule, not to exceed two hundred dollars (\$200);

(b) The standards for decent, safe and sanitary dwellings;

(c) Procedure for an aggrieved displaced person to have his determination of eligibility or amount of payment reviewed by the public entity; and

(d) Eligibility for relocation assistance payments and the procedure for claiming such payments and the amounts thereof.

21690.17. No payment received by a displaced person under this act shall be considered as income for the purposes of the Personal Income Tax Law or the Bank and Corporation Tax Law, nor shall such payments be considered as income of resources to any recipient of public assistance and such payments shall not be deducted from the amount of aid to which the recipient would otherwise be entitled under Part 3 (commencing with Section 11000) of Division 9 of the Welfare and Institutions Code.

Public Utilities Code §§ 29110-29117. (repealed)

Sec. 9, Article 9 (commencing with Section 29110) of Chapter 6 of Part 2 of Division 10 of the Public Utilities Code is repealed.

Comment. Article 9 (consisting of Sections 29110-29117) of Chapter 6 of Part 2 of Division 10 of the Public Utilities Code, which provided relocation assistance by San Francisco Bay Area Rapid Transit District, is superseded by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

Note: The repealed sections read as follows:

29110. As used in this article:

(a) "Eligible person" means any individual, family, business concern, farm, or nonprofit organization to be displaced by a district construction project.

(b) "Construction project" means the acquisition of real property or any interest therein for public use by the district.

(c) "Public use" means a use for which property may be acquired by eminent domain.

(d) "Moving expenses" means the packing, loading, transportation, unloading, and unpacking of personal property.

29111. As a part of the cost of a construction project, the district shall compensate eligible persons for their reasonable and necessary moving expenses caused by their displacement from real property acquired for such project.

29112. The payment of moving expenses shall be made to eligible persons in accordance with the provisions of this article and such rules and regulations as shall be adopted by the district.

29113. Payment of moving expenses shall not exceed two hundred dollars (\$200) in the case of an individual or family.

29114. Payment for moving expenses shall not exceed three thousand dollars (\$3,000) in the case of a business concern, farm, or nonprofit organization.

29115. In the case of a business concern, farm, or nonprofit organization, the allowable expenses for transportation shall not exceed the cost of moving fifty (50) miles from the point from which such business concern, farm, or nonprofit organization is being displaced.

§§ 29116, 29117

29116. The district is authorized to adopt rules and regulations to implement the payment of moving expenses as authorized by this article. Such rules and regulations may include provisions authorizing payments made to individuals and families of fixed amounts not to exceed two hundred dollars (\$200) in lieu of their respective reasonable and necessary moving expenses.

29117. The district is authorized to give relocation advisory assistance to any family displaced because of acquisition or clearance of rights-of-way for a construction project.

Urgency clause

Sec. 10. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The acquisition of real property for public use is requiring an increasing number of citizens to move and relocate their residences, farms, and businesses. These persons incur expenses which are not fully compensated for under California law. The "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970" provides for federal participation in relocation assistance and payments only where such payment is authorized by state law. The prompt and equitable relocation and re-establishment of families, farms, and businesses is necessary. The expeditious implementation of relocation payments and advisory assistance is necessary for the efficient operation of programs for acquisition of property for public use. Immediate statutory authorization to make such payments and assistance is required. It is therefore necessary that this act go into immediate effect.