

***La Entrada Family
Apartments Project
Relocation Plan***

Prepared for:

Redevelopment Agency of the City of San Diego

By:

**Overland, Pacific & Cutler, Inc.
3170 4th Street, 2nd Floor
San Diego, California 92103
(619) 688-7980**

August 8, 2006

TABLE OF CONTENTS

INTRODUCTION	1
I. PROJECT DESCRIPTION	2
A. REGIONAL LOCATION	2
B. PROJECT SITE LOCATION	3
C. GENERAL DEMOGRAPHIC & HOUSING CHARACTERISTICS	4
D. LOCATIONAL CHARACTERISTICS OF PROJECT NEIGHBORHOOD	5
II. ASSESSMENT OF RELOCATION NEEDS	6
A. SURVEY METHOD	6
B. FIELD SURVEY DATA - RESIDENTIAL	6
1. Housing Mix	6
2. Project Area Rents	7
3. Occupancy	7
4. Replacement Housing Needs	8
5. Income	8
6. Ethnicity/Language	9
7. Senior/Handicapped Households	9
8. Preferred Relocation Areas	9
C. FIELD SURVEY DATA - NON-RESIDENTIAL	9
III. RELOCATION RESOURCES	11
A. METHODOLOGY	11
B. REPLACEMENT HOUSING AVAILABILITY	11
1. Residential Rental Housing	11
2. For-sale Housing	12
3. Commercial Space Availability	12
4. Summary	12
C. RELATED ISSUES	13
1. Concurrent Residential Displacement	13
2. Temporary Housing	13
IV. THE RELOCATION PROGRAM	14
A. ADVISORY ASSISTANCE	14
B. RELOCATION BENEFITS	16
1. Residential Moving Expense Payments	16
2. Rental Assistance to Tenants Who Choose to Rent	17
3. Downpayment Assistance to Tenants Who Choose to Purchase	19
4. Payments to 180 Day Residential Owner-occupants	19
5. Payments To Non-Tenured Residential Tenants	20
C. DETERMINATIONS OF COMPARABLE HOUSING	21
D. RELOCATION BENEFITS - COMMERCIAL TENANTS	21
1. Payment for Actual Reasonable and Necessary Moving and Related Expenses	21
2. Self-Moves	24
3. A Fixed Payment in Lieu of a Payment for Actual Reasonable Moving and Related Expenses	24
E. GENERAL INFORMATION REGARDING THE PAYMENT OF RELOCATION BENEFITS	25
F. LAST RESORT HOUSING	26
G. RELOCATION TAX CONSEQUENCES	27

V.	ADMINISTRATIVE PROVISIONS	28
A.	HOLDOVER TENANCIES	28
B.	NOTICES	28
C.	PRIVACY OF RECORDS	29
D.	GRIEVANCE PROCEDURES	29
E.	EVICTIION POLICY	30
F.	CITIZEN PARTICIPATION	31
G.	PROJECTED DATES OF DISPLACEMENT	31
H.	ESTIMATED RELOCATION COSTS	31

LIST OF TABLES

TABLE 1:	2000 Census Population - City of San Diego & Impacted Tract	4
TABLE 2:	2000 Census Housing Units - City of San Diego & Impacted Tract	4
TABLE 3:	Project Neighborhood Amenities	5
TABLE 4:	Project Area Housing - Dwelling Bedroom Sizes	6
TABLE 5:	Project Area Tenant Rents	7
TABLE 6:	Household Size	7
TABLE 7:	Replacement Housing Needs	8
TABLE 8:	Income Levels of Tenant Households	9
TABLE 9:	Business Uses	10
TABLE 10:	Availability and Cost of Rental Multi-family Housing	11
TABLE 11:	Availability and Cost of Rental Single-family Housing	12
TABLE 12:	Schedule of Fixed Moving Payments	17
TABLE 13:	Computation of Rental Assistance Payments	18

LIST OF EXHIBITS

EXHIBIT A:	Representative Project Photographs
EXHIBIT B:	Residential Interview Form
EXHIBIT C:	Business Interview Form
EXHIBIT D:	HUD Income Limits - County of San Diego
EXHIBIT E:	Residential Informational Brochure
EXHIBIT F:	Business Informational Brochure
EXHIBIT G:	Public Comments and Response to Public Comments

INTRODUCTION

The Redevelopment Agency of the City of San Diego (Agency) has authorized the preparation of a relocation plan to be undertaken in connection with the commencement of the acquisition activities for the La Entrada Family Apartments Project (the Project). The proposed Project will provide approximately 1.6 acres to develop into an 85-unit affordable family housing complex at the corner of Logan Avenue and Beardsley Street. It is the intent of the Agency to provide a Residual Receipts loan to the La Entrada Housing Investors, LP (the Developer) to be used to acquire the site and towards hard construction costs.

The proposed property acquisitions, which are planned as part of the Project, will potentially cause the displacement of 12 residential occupants and six businesses. The needs and characteristics of the displacee population, available relocation resources and the Agency's program to provide assistance to each affected person are the general subjects of this Relocation Plan (the Plan). It is important to be aware that the preparation and approval of the Plan fulfills an administrative requirement but does not, by itself, constitute a commitment to proceed with the Project or the eligibility for relocation assistance or benefits.

Funding for the Project comes from private and local sources. This Plan conforms to the requirements of the California Relocation Assistance Law, Government Code Section 7260, et seq. (Law), and the Relocation Assistance and Real Property Acquisition Guidelines adopted by the Department of Housing and Community Development, Title 25, California Code of Regulations, Section 6000 et seq. (Guidelines).

This Plan is organized in five sections:

1. Project description (**SECTION I**);
2. Assessment of the relocation needs of persons subject to displacement (**SECTION II**);
3. Assessment of available replacement housing units within the City of San Diego and surrounding communities (**SECTION III**);
4. Description of the Agency's relocation program (**SECTION IV**); and
5. Description of the Agency's outreach efforts, Project timeline and budget (**SECTION V**).

I. PROJECT DESCRIPTION

A. REGIONAL LOCATION

The Project is located in the neighborhood south of downtown San Diego, in San Diego County approximately 15 miles north from International Border with Mexico. San Diego is easily accessible by 5, 805 and 163 Freeways and surrounded by communities of National City, Lemon Grove, La Mesa and Coronado (see Figure 1: Regional Project Location).



Figure 1: Regional Project Location

B. PROJECT SITE LOCATION

The Project area is immediately to the west of San Diego Freeway I-5 and generally bounded by Logan Avenue to the north, Beardsley Street to the east, Sigsbee Street to the west, and an alley to the south (see *Figure 2: Project Site Location*). Representative Project photographs are presented in **Exhibit A**.

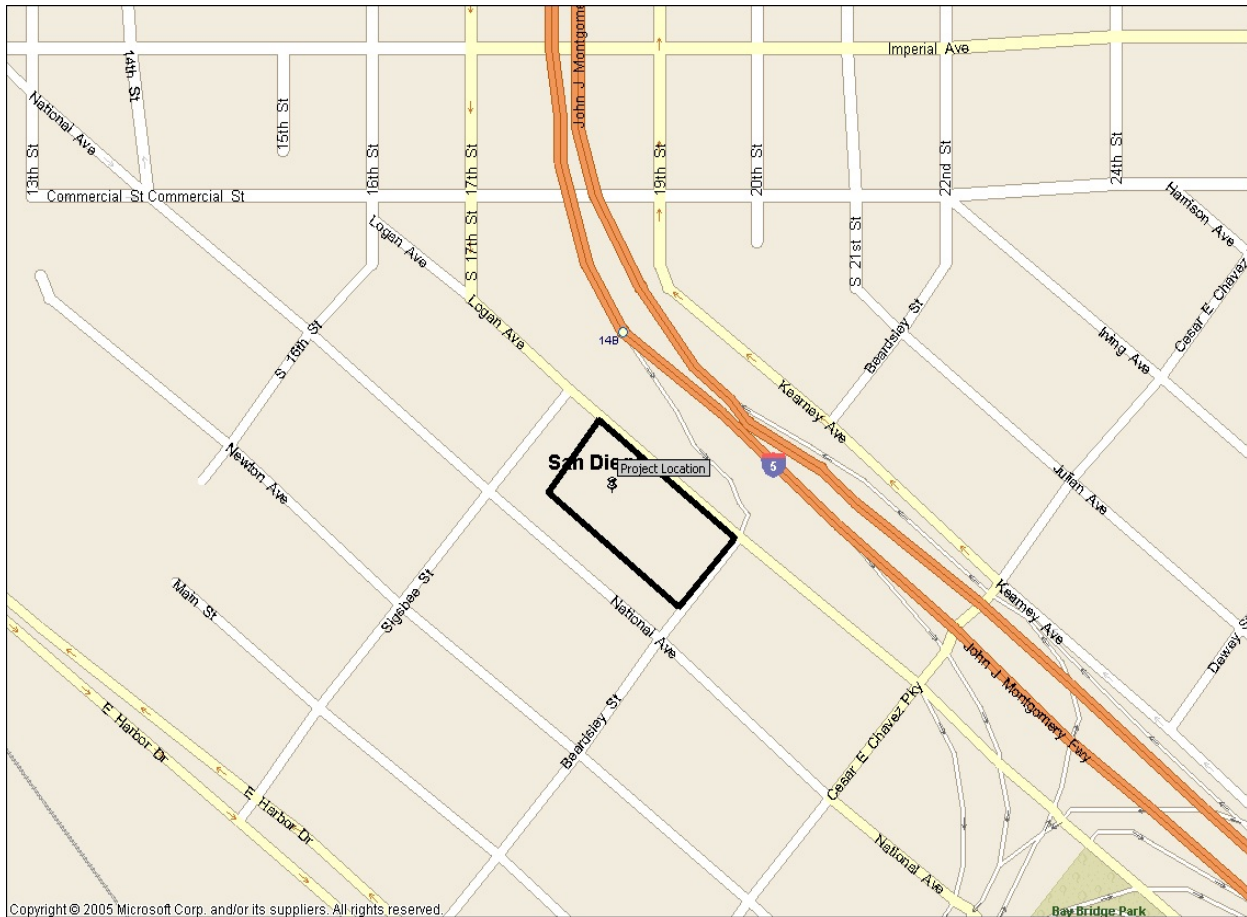


Figure 2: Project Site Location

C. GENERAL DEMOGRAPHIC & HOUSING CHARACTERISTICS

According to the 2000 U. S. Census, the population of the City of San Diego was 1,223,400 and the population of the impacted Census Tract 51 was 3,360 (see **Table 1**). Corresponding Census data concerning the housing mix is shown in **Table 2**.

TABLE 1: 2000 Census Population - City of San Diego & Impacted Tract				
Population	Tract 51	%	City	%
Total Population	3,360	100.0%	1,223,400	100.0%
White	1,739	51.8%	736,207	60.2%
Black or African American	602	17.9%	96,216	7.9%
American Indian and Alaska Native	72	2.1%	7,543	0.6%
Asian	77	2.3%	166,968	13.6%
Native Hawaiian and Other Pacific Islander	7	0.2%	5,853	0.5%
Some Other Race	642	19.1%	151,532	12.4%
Two or More Races	221	6.6%	59,081	4.8%
Hispanic or Latino (of Any Race)	1,428	42.5%	310,752	25.4%

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

TABLE 2: 2000 Census Housing Units - City of San Diego & Impacted Tract				
Type	Tract 51	%	City	%
Total Units	814	100.0%	469,689	100.0%
Owner-Occupied	34	4.2%	223,280	47.5%
Renter-Occupied	684	84.0%	227,411	48.4%
Vacant Housing Units	96	11.8%	18,998	4.1%
Available for Sale Only (of Total Vacant Units)	1	1.0%	1,806	9.5%
Available for Rent - Full Time Occupancy (of Total Vacant Units)	54	56.3%	7,511	39.5%
Sold or Rented - Not Occupied	1	1.0%	1,787	9.4%
Otherwise Not Available (e.g. seasonal, recreational, migratory, occasional use)	0	0.0%	5,100	26.8%
Other Vacant	40	41.7%	2,794	14.7%

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

D. LOCATIONAL CHARACTERISTICS OF PROJECT NEIGHBORHOOD

The public and commercial facilities including medical, library, school, recreation/park, senior/community center, entertainment, shopping, and transportation available to the residents are identified in **Table 3**, below.

TABLE 3: Project Neighborhood Amenities		
	Facility	Miles from Project
Medical	<ul style="list-style-type: none"> ● United States Naval Medical Center ● Harbor View Medical Center ● Sharp Coronado Hospital 	<p>2.0</p> <p>2.4</p> <p>2.5</p>
School	<ul style="list-style-type: none"> ● Kimbrough Elementary School ● Baker Elementary School ● Brooklyn Elementary School ● Burbank Elementary School ● Logan Elementary School ● Perkins Elementary School and Preschool ● King Elementary School ● Sherman Elementary School ● Emerson Elementary School ● Harborside School ● You School ● King Chavez Academy-Excellence ● Our Lady’s School ● Promise Charter School ● Kipp Adelante School ● San Diego High School 	<p>1.2</p> <p>3.6</p> <p>2.8</p> <p>0.7</p> <p>1.1</p> <p>0.3</p> <p>2.0</p> <p>0.9</p> <p>2.1</p> <p>2.5</p> <p>1.2</p> <p>0.3</p> <p>0.6</p> <p>2.0</p> <p>2.1</p> <p>1.5</p>
Library	<ul style="list-style-type: none"> ● South Bay Library ● Logan Heights Library 	<p>1.3</p> <p>1.2</p>
Entertainment	<ul style="list-style-type: none"> ● Pacific Gaslamp All Stadium 15 ● San Diego Convention Center ● UA Horton Plaza ● Reuben H. Fleet Science Center ● Cinderella Twin Drive-In ● San Diego Zoo ● Museum of Photographic Art 	<p>1.3</p> <p>1.8</p> <p>1.1</p> <p>2.7</p> <p>2.4</p> <p>3.3</p> <p>2.4</p>
Community Center	<ul style="list-style-type: none"> ● Coronado Community Center ● Senior Community Centers of San Diego 	<p>3.6</p> <p>2.7</p>
Police/Safety	<ul style="list-style-type: none"> ● San Diego Police Department ● Coronado Police Department ● Coronado Senior Association 	<p>0.8</p> <p>3.2</p> <p>1.5</p>
Shopping	<ul style="list-style-type: none"> ● Mission Valley West Mall ● Bazaar Del Mundo ● Crosby Food Store ● Ponderosa Market 	<p>5.4</p> <p>5.9</p> <p>0.1</p> <p>0.2</p>
Transportation	<ul style="list-style-type: none"> ● Greyhound Bus Lines - San Diego ● Trolley Station - San Diego ● Coaster - Solana Beach 	<p>1.9</p> <p>0.5</p> <p>5.7</p>

II. ASSESSMENT OF RELOCATION NEEDS

A. SURVEY METHOD

To obtain information necessary for the preparation of this Plan, personal interviews among potentially affected residents and businesses were conducted during the month of July 2006. Interviewers were successful in obtaining survey responses from nine of 12 residential households and all six business owners. The majority of interviews were conducted on-site either in English or Spanish, as appropriate.

Inquiries made of residential occupants concerned household size and composition, income, monthly rent obligation, length and type of occupancy, ethnicity, home language, disabilities/health problems, and replacement housing preferences. Survey questions of business owners concerned the nature of the business, leasehold circumstances, annual revenues, description and size of current operations, special facility requirements, and area preferences with respect to possible replacement locations.

The descriptive data in this Plan concerning potential displacees are based solely on anecdotal responses. No attempt was made to qualify income or other information provided by residents or business owners. Samples of the residential and business interview forms used in the interview process are presented as **Exhibits B** and **C** of this report.

B. FIELD SURVEY DATA - RESIDENTIAL

The proposed Project will impact 10 tenant occupied units, and two homeowner occupied dwellings. One single-family dwelling is currently vacant.

1. Housing Mix

Table 4 below shows existing housing by bedroom size.

TABLE 4: Project Area Housing - Dwelling Bedroom Sizes (10 respondents)				
Unit Size	Studio	One	Two	Three
# of Units - Tenants	4	1	1	2
# of Units - Owners	0	0	1	1
Total Units	4	1	2	3

The housing mix consists of three tenant-occupied and one owner-occupied single-family dwellings; one duplex of which one unit is owner-occupied and the other unit is rented; two tenant households reside in the converted garages and one of these two tenants allowed a trailer and a motor home to be placed on the property, charging rent for the privilege unknown to the property owner. One single-family unit was confirmed vacant at the time of surveys and the two non-responsive households appear to be renting two single-family homes.

2. Project Area Rents

Table 5 below charts monthly rents by bedroom size among six market rate respondent tenant households. One household refused to disclose their monthly rent obligation and another did not know, since the person surveyed was not the head of household. The rounded rent averages are: studio - \$600; one-bedroom - \$650; two-bedroom - \$500; and three-bedroom \$1,050.

TABLE 5: Project Area Tenant Rents (6 respondents)			
Studio	One Bedroom	Two Bedroom	Three Bedroom
\$300	\$650	\$500	\$800
\$900			\$1,300

3. Occupancy/Overcrowding

There is a total known Project population of 39 individuals, consisting of 19 adults and 20 children, most of whom are of school-age. The average household size is 3.9 persons per dwelling unit. The distribution of household sizes within the Project is provided in **Table 6** below.

TABLE 6: Household Size (10 households)							
# in Household	Two	Three	Four	Five	Six	Seven	Eight
# Households	4	1	2	1	0	1	1

The standard for housing density adopted by the Agency allows two persons per bedroom and one person in a common living area up to three bedrooms. The Agency adheres to the state building code occupancy standard based on the square footage of the dwelling for households larger than eight members. Based on these criteria as compared to available tenant data, there appear to be three overcrowded units among the subject tenant residential properties. Replacement housing referrals to the occupants of these dwellings will reflect the need for larger accommodations.

4. Replacement Housing Needs

Replacement housing needs, as expressed in this plan, are defined by the total number of required replacement units and the distribution of those units by bedroom size. The projected number of required units by bedroom size is calculated by comparing survey data relative to household size with the Agency's replacement housing occupancy standards. These standards, generally, allow for up to three persons in a one-bedroom unit, five persons in a two-bedroom unit, and seven persons in a three-bedroom unit. Any households consisting of more than eight members will require a four-bedroom replacement unit based on the respective size of that unit per state building code.

The Project's known replacement housing requirements are summarized below in **Table 7**.

TABLE 7: Replacement Housing Needs (8 tenants + 2 owners)					
Bedroom Size	Studio	One	Two	Three	Four
# Needed - Tenants	3	0	2	2	1
# Needed - Owners	0	0	1	1	0

The Agency will, through its relocation representatives, assure that sufficient replacement housing units exist in compliance with the decent, safe, and sanitary requirements, prior to displacing any residential households.

5. Income

Income information was provided by all respondent tenant households as well as owner-occupied households. According to income standards for the County of San Diego (**Exhibit D**) adjusted for family size as published by the United States Department of Housing and Urban Development (HUD) in March 2006, two Project households qualify as extremely low

income (30% or less of area median), two households qualify as very low income (31%-50% of area median), three qualify as low income (51%-80% of area median), and one tenant and both homeowners qualify as above moderate or high income (over 120% of area median). **Table 8** below outlines this information. The range of reported annual household income among the respondents was \$7,284-\$115,200.

TABLE 8: Income Levels of Tenant Households (10 respondents)				
Extremely Low	Very Low	Low	Moderate	High
2	2	3	0	3

6. Ethnicity/Language

Nine households (90%) in the Project reported their ethnicity as Hispanic, and one as Asian (10%). English is the primary household language in three households, and Spanish in seven households.

7. Senior/Handicapped Households

There is one senior household (head of household or spouse 62 years or older) in the Project and no households with reported physical or psychological disabilities.

8. Preferred Relocation Areas

The majority of surveyed residents expressed a preference to remain in the community in order to maintain current school enrollment, access to employment, medical or religious facilities, recreational resources and public transportation. Other areas of interest mentioned by some residents were Logan and North County/Encinitas.

C. FIELD SURVEY DATA - NON-RESIDENTIAL

There are six non-residential entities potentially affected by the Project. Survey information was obtained from five of six business owners. One owner provided limited information, and is considered unresponsive.

The following information in **Table 9** reflects information gathered from personal interviews as well as observations made in the field. Business type, reported move-in date, estimated square footage, monthly rent, number of employees and any particular features are outlined.

TABLE 9: Business Uses					
Business Name	Est. Sq. Footage	Monthly Rent	Particular Features	Move-in Date	# of Empl
MG Iron Works	1,500	\$2,750	1,500 sf yard, 2 welding stations, drill, compressor, saw	01/06	3
Clinica Medica	1,400	\$2,000	shares lease with International Parcel Service	04/06	11
International Parcel Service	800	\$500	small 2-bedroom home used as commercial site	04/06	1
San Diego Saw & Knife Works	1,225	\$700	3 phase, knife & surface grinder, garage door	01/84	unknown
Diamond Jack Produce	6,000	\$3,400	3 phase, plumbing, ventilation, cooler, water treatment, dock door	01/99	14
RSG (t-shirt production)	unresponsive				

The businesses that entered into a lease agreement in 2006 signed waivers of relocation benefits and were fully aware of the potential project occurring within a year.

III. RELOCATION RESOURCES

A. METHODOLOGY

A resource survey was conducted to identify available rental housing units and replacement business sites within a general downtown San Diego area and surrounding communities no more than five miles from the Project. The following sources were utilized:

- Classified rental listings from *San Diego Union Tribune* and *For Rent* publications
- Contacts with real estate/property management companies serving the community
- Internet sources

B. REPLACEMENT HOUSING AVAILABILITY

1. Residential Rental Housing

Rental replacement housing survey considered multi-family and single-family units. The survey spanned over a two week period in July and August 2006. The rental housing survey, summarized in **Table 10** for multi-family units and in **Table 11** for single-family units, identified a total of 99 available studio, one-, two-, three-, and four-bedroom housing units for rent. The individual figures for number of units found by bedroom size are presented in the table alongside the number of units needed (shown in parentheses) to meet re-housing obligations.

Bedroom Size	Studio	One	Two	Three
# Found (# Needed)	9 (3)	31 (0)	28 (2)	5 (1)
Rent Range	\$650-\$1,395	\$675-\$1,700	\$800-\$2,170	\$895-\$1,325
Median Rent	\$725	\$775	\$950	\$1,200

The median rent amounts shown in the table above are among the figures used to make benefit and budget projections for the Plan. These amounts are, naturally, subject to change according to the market rates prevailing at the time of displacement. Average Project rents are currently 15-35 percent less than respective median market rents for surveyed replacement units.

TABLE 11: Availability and Cost of Rental Single-family Housing			
Bedroom Size	Two	Three	Four
# Found (# Needed)	9 (0)	11 (1)	6 (1)
Rent Range	\$995-\$1,900	\$1,100-\$2,200	\$1,495-\$2,330
Median Rent	\$1,200	\$1,450	\$1,695

2. For-sale Housing

The resource survey identified 53 two-bedroom homes currently available for sale, ranging in price from \$266,000 to \$450,000 with a median price of \$370,000 and 180 three-bedroom homes ranging in price from \$266,000 to \$505,000 with a median price of \$479,900.

One of the homeowners currently resides in a three-bedroom unit of the duplex. Should they desire to replace their duplex unit, the survey identified four two-unit properties currently on the market ranging in price from \$579,000 to \$640,000.

3. Commercial Space Availability

The availability of commercial space in the downtown San Diego area seems to be abundant along Market Street, Main Street, 17th Street, Imperial and other major commercial streets for the six potentially displaced businesses to find replacement sites, should they choose to continue with their current operations. Industrial/warehouse space identified in the survey rents between \$0.65 and \$2.19 per square foot with a median price of \$1.00. The survey also identified several opportunities for sale that might be considered by some of the potentially displaced business owners.

4. Summary

Considering the above described availability of replacement housing resources gathered over a two week period, it appears that there are more than adequate replacement resources for the residential occupants. However, while adequate replacement resources exist, based on surveyed results of rental opportunities and the current rents, increases in monthly rent are likely to occur. These increases, if any, will be met through the Agency's obligation under

the relocation regulations, including Last Resort Housing (LRH) requirements (see Section IV, F).

Therefore, with possible benefit payments exceeding statutory amounts through LRH obligations, the relocation activities are not anticipated to create any special housing considerations. With LRH benefit payments, the Project will meet comparable replacement dwelling requirements.

C. RELATED ISSUES

1. Concurrent Residential Displacement

The San Diego City College District is currently undertaking a project in the vicinity that will potentially cause displacement of 30 residential occupants. The actual displacement is not anticipated to occur until early 2007. There is also another Agency project displacing one residential household. The La Entrada Project will, if approved, displace 12 residential households and the three projects will not likely be in competition for the available housing resources due to timing and location of all planned projects. The Agency will monitor its own future relocation activities and those of local agencies, along with the capacity of the housing market throughout the displacement phase of the Project. No residential displacee will be required to move without both adequate notice and access to available affordable decent, safe and sanitary housing.

2. Temporary Housing

No need for temporary housing is anticipated.

IV. THE RELOCATION PROGRAM

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

The Agency has retained Overland, Pacific & Cutler, Inc. (OPC) to administer the Relocation Program. OPC has worked on more than 2,500 public agency acquisition and relocation projects over the past 25 years. Additionally, OPC has an extensive resume of redevelopment projects undertaken throughout the Southern California communities. Experienced Agency staff will monitor the performance of OPC and be responsible to approve or disapprove OPC recommendations concerning eligibility and benefit determinations and interpretations of Agency policy. The relocation program consists of two principal constituents: Advisory and Financial Assistance.

A. ADVISORY ASSISTANCE

Individuals who will need to move from existing homes will receive advisory assistance. Advisory assistance services are intended to:

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

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

1. Distribute appropriate written information concerning the Agency's relocation program in English and Spanish;
2. Inform eligible project occupants of the nature of, and procedures for, obtaining available relocation assistance and benefits. (See **Exhibits E and F**)
3. Determine the needs of each displacee eligible for assistance;

4. Provide residential displacee with at least one, and preferably three, referrals to comparable replacement housing within a reasonable time prior to displacement. The Agency is determined to providing available, necessary resources.
5. Maintain an updated database of available housing resources, and distribute referral information to displacees for the duration of the Project;
6. Provide transportation to residential displacee, if necessary, to inspect replacement sites within the local area;
7. Supply information concerning federal and state programs and other governmental programs providing assistance to displaced persons, including:
 - (a) Social Security Administration
 - (b) San Diego Neighborhood Housing Services
 - (c) San Diego Housing Commission
 - (d) San Diego Home Loan Counseling Service
8. Assist eligible occupant in the preparation and submission of relocation assistance claims;
9. Provide additional reasonable services necessary to successfully relocate occupants;
10. Make benefit determinations and payments in accordance with applicable law and the Agency's adopted relocation guidelines;
11. Assure that no occupant is required to move without a minimum of 90 days written notice to vacate. This notice could be part of, separate from, or be an Order for Immediate Possession issued from the Court;
12. Inform all persons subject to displacement of the Agency's policies with regard to eviction and property management;
13. Establish and maintain a formal grievance procedure for use by displaced persons seeking administrative review of the Agency's decisions with respect to relocation assistance; and

14. Provide assistance that does not result in different or separate treatment based on or due to an individual's sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation, and domestic partnership status.

B. RELOCATION BENEFITS

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

Relocation benefits will be paid to eligible displacees upon submission of required claim forms and documentation in accordance with the Agency's administrative procedures. The Agency will process advance payment requests to mitigate hardships for residential tenants who do not have access to sufficient funds to pay move-in costs such as first month's rent and/or security deposits. Approved requests will be processed expeditiously to help avoid the loss of desirable, appropriate replacement housing.

1. Residential Moving Expense Payments

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

a. Actual Cost (Professional Move)

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

In addition to the cost of the actual move, one-time expenses associated with utility re-connections (e.g., gas, water, electricity) will be eligible for reimbursement. Transportation costs will be limited to a distance of 50 miles, unless otherwise authorized by the Agency.

b. Fixed Payment (based on Room Count Schedule)

The displacee may, while taking full responsibility for the move, elect to receive a fixed payment for moving expenses based on a room count in the displacement dwelling. The fixed payment is a one-time, all inclusive allowance that does not require back-up documentation. The current schedule for fixed moving payments is set forth in **Table 12**:

TABLE 12: Schedule of Fixed Moving Payments									
Unfurnished Dwelling									
Room Count	1	2	3	4	5	6	7	8	each additional
Amount	\$625	\$800	\$1,000	\$1,175	\$1,425	\$1,650	\$1,900	\$2,150	\$225
Furnished Dwelling									
Room Count	1	each additional							
Amount	\$400	\$65							

Source: Federal Highway Administration (effective 6-15-05)

2. Rental Assistance to Tenants Who Choose to Rent

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

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

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

(i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or

(ii) The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displaced person.

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

(i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Agency; or

(ii) Thirty percent (30%) of the displaced person’s average, monthly gross household income if the amount is classified as “low income” by the HUD Annual Survey of Income Limits as shown in **Exhibit D**. If a displacee refuses to provide appropriate evidence of income, the base monthly rent shall be determined to be the average monthly cost for rent and utilities at the displacement dwelling; or

(iii) The total of the amount designated for shelter and utilities if receiving a welfare assistance payment from a program that designated such amounts.

The **Table 13** below illustrates the computation of a rental assistance payment amount:

TABLE 13: Computation of Rental Assistance Payments		
1. Old Rent	\$650	Old Rent, plus Utility Allowance
or		
2. Ability to Pay	\$700	30% of the Gross Household Income*
3. Lesser of lines 1 or 2	\$650	Base Monthly Rental
Subtracted From:		
4. Actual New Rent	\$750	Actual New Rent including Utility Allowance
or		
5. Comparable Rent	\$775	Determined by The Agency; includes Utility Allowance
6. Lesser of lines 4 or 5	\$750	
7. Yields Monthly Need:	\$100	Subtract line 3 from line 6
Rental Assistance	\$4,200	Multiply line 7 by 42 months

* Gross income means the total annual income of an individual less the following: (1) a deduction of \$500 for each

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

3. Downpayment Assistance to Tenants Who Choose to Purchase

Displaces otherwise eligible to receive a Rental Assistance Payment as previously described, may choose to utilize the full amount of their rental assistance eligibility amount (including Last Resort benefits) to purchase a home. Such payments shall be deposited directly to an escrow account with provisions that allow the Agency to recover its funds should the escrow be cancelled or not proceed in a timely manner.

4. Payments to 180 Day Residential Owner-occupants

Residential owner-occupants who have established residency for at least 180 days prior to the Agency's offer to purchase may be eligible for up to \$22,500 in replacement housing assistance, prior to consideration of eligibility for Last Resort Housing benefits (see Last Resort Housing, Section IV. F). The amount of the Replacement Housing Assistance Payment will be determined on the basis of three separate elements: a) Purchase Price Differential; b) Mortgage Interest Differential; and, c) Incidental Expenses.

(a) Purchase Price Differential

The Purchase Price Differential is based on three factors:

Acquisition Price - The price paid by the Agency for the Project area dwelling;

Actual Purchase Price - The actual price paid for a replacement dwelling; and,

Comparable Replacement Cost - The cost of a decent, safe and sanitary dwelling comparable to the dwelling acquired by the Agency.

The purchase price differential amount is determined by comparing the price of the acquired dwelling (including any proceeds obtained through condemnation) to the lesser of the actual cost paid for a replacement home versus the price of the

comparable dwelling used to compute eligibility in the Notice-of-Eligibility issued to the displaced owner.

(b) Mortgage Interest Differential

The purpose of the Mortgage Interest Differential Payment is to compensate homeowners for increased interest costs between the acquired dwelling and the replacement dwelling. The payment for increased mortgage interest cost shall be the amount which will reduce the mortgage balance on a new mortgage to an amount which could be amortized with the same monthly payment for principal and interest as that for the mortgage(s) on the displacement dwelling. In addition, payments shall include other debt service costs, if not paid as part of incidental costs. To be eligible for this payment, the mortgage on the dwelling being acquired must have been in place, as a valid lien, for at least 180 days prior to the Agency's initial written offer to purchase.

(c) Incidental Expenses - Closing Costs

One-time, non-recurring closing costs associated with the purchase of a comparable, replacement dwelling are compensable. Examples of such compensable expenses include costs for: a property survey; preparation of a legal description and deed; recording fees; title insurance; revenue stamps and transfer taxes; loan application fees; loan origination fees; appraisal fees; a credit report; certification for structural soundness; and, termite inspection, when required. Prepaid recurring expenses for mortgage interest, property taxes and insurance are not compensable.

The total Replacement Housing Payment is the sum of the Purchase Price Differential, Mortgage Interest Differential, and compensable Incidental Expenses.

5. Payments To Non-Tenured Residential Tenants

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

monthly household income). Last Resort Housing assistance to non-tenured households is based solely on income.

C. DETERMINATIONS OF COMPARABLE HOUSING

Relocation staff will evaluate the cost of comparable replacement housing in the preparation of the individual Notice of Eligibility issued to residential displacee. For residential occupant, the cost of comparable replacement housing will be determined primarily on a comparative basis of three, if possible, presently available, comparable dwellings. A Replacement Housing Valuation Form will be prepared and placed in the file of the affected household.

D. RELOCATION BENEFITS - COMMERCIAL TENANTS

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

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

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

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

- a. Transportation of persons and property from the present location to the replacement location (transportation costs for a distance beyond 50 miles are not eligible, unless the Agency determines that relocation beyond 50 miles is justified);
- b. Packing, crating, uncrating, and unpacking personal property;
- c. Disconnecting, dismantling, removing, reassembling, and installing relocated and substitute machinery, equipment and other personal property. Includes connection to utilities available nearby and modifications necessary to adapt such property to the replacement structure or to the utilities or to adapt the utilities to the personal property;

- d. Storage of personal property for a period not to exceed 12 months, unless the Agency determines that a longer period is necessary;
- e. Insurance of personal property while in storage or transit and the replacement value of property lost, stolen, or damaged (not through the fault or negligence of the displaced person) in the process of moving, where insurance is not readily available;
- f. Any license, permit, or certification required by the displaced business, to the extent that the cost is necessary for reestablishment at the replacement location. (These costs may be pro-rated based on the remaining useful life of any existing license, permit or certification);
- g. Reasonable and pre-authorized professional services, including architects', attorneys', engineers' fees, and consultants' charges, necessary for: (1) planning the move of the personal property; (2) moving the personal property; or, (3) installing the relocated personal property at the replacement location;
- h. Professional services performed prior to the purchase or lease of a replacement site to determine its suitability for the business operation including, but not limited to, soil testing, feasibility and marketing surveys;
- i. The purchase and installation of substitute personal property limited to the lesser of: (1) an amount equal to the reasonable expenses that would have been required to relocate the property, as determined by the Agency, subject to certain limitations, or, (2) the replacement cost, less any proceeds from its sale or trade in;
- j. Connection to available nearby utilities from the right-of-way to improvements at the replacement site;
- k. The modification of machinery, equipment or other personal property necessary to adapt these to the replacement location or to utilities available at the replacement location;
- l. Relettering signs and replacing stationary on hand at the time of displacement that are made obsolete as a result of the move;

- m. Actual direct losses of tangible personal property resulting from moving or discontinuing a business or non-profit organization, not-to-exceed the lesser of: (1) the fair market value of the property for continued use at its location prior to displacement less any proceeds from sale of the property; or, (2) an amount equal to the reasonable expenses that would have been required to relocate the property, as determined by the Agency, subject to certain limitations;
- n. Actual and reasonable expenses incurred in searching for a replacement business or non-profit organization location, not-to-exceed \$1,000, and including compensation for transportation expenses; time spent searching for a reasonable location, meals, and lodging; real estate broker or agent fees; time spent in obtaining permits and attending zoning hearings; and time spent negotiating the purchase of a replacement site;
- o. Impact fees or one-time assessments for anticipated heavy utility usage;
- p. Low Value/High Bulk: when the personal property to be moved is of low value and high bulk, and the cost of moving the property would be disproportionate to its value in the judgment of the Agency, the allowable moving cost payment shall not exceed the lesser of: (1) the amount which would be received if the property were sold at the site or (2) the replacement cost of a comparable quantity delivered to the new business location. Examples of personal property covered by this provision include, but are not limited to, stockpiled sand, gravel, minerals, metals and other similar items of personal property as determined by the Agency;
- r. A Reestablishment allowance of up to \$10,000, available to farms, nonprofit organizations and small businesses with no more than 500 employees. Reestablishment allowance payments are made in addition to compensation provided for actual, reasonable and necessary moving expenses. Reestablishment allowance expense categories include but are not limited to:
 - 1) Repairs or improvements to the replacement property as required by Federal, State or local law, code or ordinance;
 - 2) Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting business;

- 3) Construction and installation costs for exterior signing to advertise the business;
- 4) Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint paneling or carpeting;
- 5) Advertisement of replacement location;
- 6) Estimated increased costs of operation during the first two years at the replacement site for such items as:
 - a. Lease or rental charges
 - b. Personal or real property taxes
 - c. Insurance premiums, and
 - d. Utility charges, excluding impact fees
- 7) Other items essential to the reestablishment of the business.

2. Self-Moves

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

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

The option to claim a fixed payment enables both for-profit and non-profit businesses to receive relocation assistance compensation without providing documentation of bids and actual expenses. The payment amount available to any individual business is based on an average of annual net earnings over a two year period. For businesses which have not been in operation for two years, income figures can be annualized. The method for establishing income is through tax returns and/or certified financial statements. The payment to an eligible business may not be less than \$1,000, nor more than \$20,000.

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

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

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

E. GENERAL INFORMATION REGARDING THE PAYMENT OF RELOCATION BENEFITS

Claims and supporting documentation for relocation benefits must be filed with the Agency no later than 18 months after the date of displacement.

The procedure for the preparation and filing of claims and the processing and delivery of payments will be as follows:

1. Claimant(s) will provide all necessary documentation to substantiate eligibility for assistance;
2. Relocation staff will review all necessary documentation including, but not limited to, scopes-of-service, contractor bids, invoices, lease documents and escrow material before reaching a determination as to which expenses are eligible for compensation;
3. Required claim forms will be prepared by relocation staff and presented to the claimant for review. Signed claims and supporting documentation will be returned to relocation staff and submitted to the Agency;
4. The Agency will review and approve claims for payment, or request additional information;
5. The Agency will issue benefit checks to claimants in the most secure, expeditious manner possible;
6. Final payments to residential displacee will be issued after confirmation that the Project premises have been completely vacated, and actual residency at the replacement unit is verified;
7. Receipts of payment and all claim material will be maintained in the relocation case file.

F. LAST RESORT HOUSING

Based on data derived from the surveys and analyses of the occupants in the Project area and costs of replacement housing resources, it is anticipated that “comparable replacement housing” will not be available as required. Specifically, for renters, when the computed replacement housing assistance eligibility exceeds \$5,250 or replacement dwelling monthly rental costs (including utilities and other reasonable recurring expenses) exceeds 30% of the person’s average monthly income.

Therefore, if the Project proceeds, the Agency will authorize sufficient funds to provide housing of last resort. Due to the demonstrated number of available replacement housing resources for the single occupant, as shown above in Section III, 1, the need to develop a replacement housing plan to produce sufficient number of comparable replacement dwellings will not be necessary. Rather, funds

will be used to make payments in excess of the monetary limits specified in the statute (\$5,250); hence, satisfying the requirement that “comparable replacement housing” be available.

The Agency, at its discretion, may opt to pay Last Resort Housing payments in installments or in a lump sum. Recipients of Last Resort rental assistance, who intend to purchase rather than re-rent replacement housing, will have the right to request a lump sum payment of all benefits in the form of downpayment assistance. Tenant households receiving periodic payments will have the option to request a lump sum payment of remaining benefits to assist with the purchase of a decent, safe and sanitary dwelling.

G. RELOCATION TAX CONSEQUENCES

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

V. ADMINISTRATIVE PROVISIONS

A. HOLDOVER TENANCIES

The Agency's acquisition schedule may allow some tenants to remain in occupancy of Agency acquired properties for periods as long as six months prior to displacement. Tenants will benefit by having greater flexibility to plan a move around work schedules, as an example, or other personal considerations.

Any holdover tenants will be required to enter into a Rental Agreement with the Agency and make monthly rental payments. The Agency will assume responsibility for all property management functions. No one other than current tenant occupants will be allowed to remain in Agency acquired properties. Holdover tenants will be required to conform to State and local law and the requirements of the Agency's Rental Agreement or face eviction in conformance with the Agency's eviction policy as set forth in Section V, E, following.

B. NOTICES

Each notice, which the Agency is required to provide to a property owner or occupant, shall be personally delivered or sent by certified or registered first-class mail, return receipt requested and documented in the case file. Each notice will be written in plain, understandable language. Persons who are unable to read and understand any notice will be provided with appropriate translation and counseling. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help.

There are three principal notices:

- 1) the General Information Notice,
- 2) the Notice of Relocation Eligibility, and
- 3) the Ninety-Day Notice.

The General Information Notice is intended to provide potential relocatees with a general written description of the Agency's relocation program and basic information concerning benefits, conditions of eligibility, noticing requirements and appeal rights. This notice will be issued at the time the properties are being appraised.

A Notice of Relocation Eligibility (NOE) will be distributed to each commercial and residential relocatee. The NOE to business operators acknowledges the recipient's eligibility for assistance and right to make claims for relocation assistance benefits. The NOE to residential relocatee contains a determination of eligibility for relocation assistance and a computation of a maximum entitlement based on information provided by the affected household and the analysis of comparable replacement properties undertaken by relocation staff. NOEs will be issued promptly following the initiation of negotiations with property owners.

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

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

- 1) are eligible for monetary benefits,
- 2) have moved from the acquired property, and
- 3) have not filed a claim for benefits.

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

C. PRIVACY OF RECORDS

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

D. GRIEVANCE PROCEDURES

A person who is dissatisfied with a determination as to eligibility for benefits, a payment amount, the failure to provide comparable replacement housing referrals, or the Agency's property

management practices must file a Relocation Assistance Appeal Form or any other written form of appeal with the Agency's designee (Hearing Officer).

The Hearing Officer shall set a hearing date of no later than 30 days from receipt of the appeal. The person making the appeal shall have:

- 1) the right to present oral and/or written evidence in support of the appeal,
- 2) the right to legal counsel (hired at the appellant's sole expense), and
- 3) the right to seek judicial review once having exhausted all administrative appeal remedies.

The Hearing Officer shall render a decision, in writing, within 30 days following the last day of the hearing. A copy of the decision will be mailed, certified or registered, to the appellant and his/her authorized representative and copies filed in the relocation case file. The decision of the Hearing Officer shall be final, and the appellant shall be advised of the right to seek judicial review of the Hearing Officer's decision.

E. EVICTION POLICY

Eviction for cause must conform to applicable state and local law. Any person, who occupies the real property and is in lawful occupancy on the date of the initiation of negotiations, is presumed to be entitled to relocation payments and other assistance, unless the Agency determines that:

1. The person received an eviction notice prior to the initiation of negotiations and as a result of that notice is later evicted, or
2. The person is evicted after the initiation of negotiations for serious or repeated violation of material term(s) of the lease or occupancy agreement, and,
3. In either case, the eviction was not undertaken for the purpose of evading the obligation to make available the payments or other assistance to which a person may otherwise be entitled.

F. CITIZEN PARTICIPATION

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

1. Provide affected tenants with full and timely access to documents relevant to the relocation program in both English and Spanish;
2. Encourage meaningful participation in reviewing the relocation plan and monitoring the relocation assistance program; including the Project area occupants, neighborhood groups and community organizations forming a relocation committee;
3. Provide technical assistance necessary to interpret elements of the Relocation Plan and other pertinent materials;
4. Issuance of a general notice concerning the availability of the Plan for public review, as required, 30 days prior to its proposed adoption;
5. The inclusion of written or oral comments concerning the Plan and the Agency's response as an attachment (**Exhibit G**) when it is forwarded to the Agency Board for adoption.

G. PROJECTED DATES OF DISPLACEMENT

The Agency contemplates that the relocation process will commence in fall 2006 and be completed by May 2007.

H. ESTIMATED RELOCATION COSTS

The total budget estimate for relocation-related payments for this Project, including a 10 percent contingency, is **\$519,000**.

The estimated relocation budget does not include any payments related to property acquisition, improvements pertaining to realty, or loss of business goodwill. In addition, the budget does not consider the cost of any services necessary to implement the Plan and complete the relocation element of the Project.

If the Project is implemented, and circumstances arise that should change either the number of residential and business occupants, or the nature of their activity, the Agency will authorize any additional funds that may need to be appropriated. The Agency pledges to appropriate, on a timely basis, the funds necessary to ensure the successful completion of the Project, including funds

necessary for LRH as indicated in Section IV, F, of this Plan to meet its obligation under the relocation regulations.

EXHIBIT A: Representative Project Photographs

EXHIBIT B: Residential Interview Form

EXHIBIT C: Business Interview Form

EXHIBIT D: HUD Income Limits - San Diego County

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

Area Median: \$64,900					
Family Size	Extremely Low	Very Low	Lower	Median	Moderate
1 Person	14,500	24,150	38,650	45,400	54,500
2 Person	16,550	27,600	44,150	51,900	62,300
3 Person	18,650	31,050	49,700	58,400	70,100
4 Person	20,700	34,500	55,200	64,900	77,900
5 Person	22,350	37,250	59,600	70,100	84,100
6 Person	24,000	40,000	64,050	75,300	90,400
7 Person	25,650	42,800	68,450	80,500	96,600
8 Person	27,300	45,550	72,850	85,700	102,800

Figures are per the Department of Housing and Community Development (California), Division of Housing Policy Development, effective **March 8, 2006**.

EXHIBIT E: Residential Informational Brochure

EXHIBIT F: Business Informational Brochure

EXHIBIT G: Public Comments and Response