

## **11 Relocation Assistance**

### **11.1 Program Overview: Policies and Procedures**

#### **A. General Function and History of Program**

The Relocation Advisory Assistance and Relocation Payment Program were first initiated by Title 23 of the United States Code, Section 133, and enacted October 23, 1962. The purpose of this initial program was to provide advisory assistance to all individuals, families, businesses, farms, and non-profit organizations dislocated by Federal-aid highway construction and to make limited payments to eligible persons for reasonable and necessary moving expenses.

The Relocation Assistance Advisory Service was mandatory under the law for all Federal-aid projects but the relocation payment phase of the law was optional with the individual states. The Georgia Department of Transportation complied with the relocation advisory assistance phase of the program immediately, but did not enter the relocation payment phase until May 18, 1966, when House Bill 105, Georgia Law became effective. This bill provided payments of reasonable and necessary moving expenses.

The Federal Highway Act of 1968 enlarged the relocation payment program by providing for replacement housing and authorizing the payment of certain incidental expenses. The U.S. Department of Transportation (USDOT) issued Instructional Memorandum 80-1-68 outlining the Interim Operating Policies and Procedures covering the administration of the Highway Relocation Assistance Program as established by the 1968 Highway Act. In 1970, the U.S. Congress passed the "Uniform Relocation Assistance and Real Property Acquisition Policies Act". The USDOT implementing the Relocation Assistance Portion of this act issued IM 80-1-71. The State of Georgia passed enabling legislation effective July 1, 1972. In 1980, the Georgia Legislature amended state law to include "Last Resort Housing" for federal-aid projects. In 1987, the U. S. Congress passed amendments to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended; and in 1988, the Georgia Legislature amended state law to comply with the Federal amendments. These amendments created on the Federal level a "Lead Agency" to provide a uniform set of rules and regulations that all acquiring agencies using federal funds would follow. These proposed rules were published in the Federal Register July 22, 1988. The Georgia State Transportation Board by resolution dated January 17, 1991, brought all Federal and State funded Transportation projects under the Surface Transportation and Uniform Relocation Act of 1987 and Georgia

Code 32-8-4, 32-8-5 and on September 17, 1992, another resolution was passed that rescinded the Georgia State Transportation Board's present policy of authorizing

Last Resort Housing Funds and adopted a policy to authorize necessary Last Resort Housing beginning with initial project approval and authorization of funds by the State Transportation Board. A determination of need for “Last Resort Housing” will be made during the relocation conceptual stage study. Georgia Department of Transportation now, has at its disposal all provisions of the Uniform Relocation Assistance, and Real Property Acquisition Policies Act of 1970, as amended as well as the amendments of 1987. On January 4, 2005, Federal Highway Administration issued a “Final Rule” revising the regulations pertaining to 49 CFR, Part 24 dealing with the government wide requirements for implementing the Uniform Relocation Assistance, and Real Property Acquisition Policies Act of 1970, as amended. In 2013, MAP-21, or “Moving Ahead for Progress in the 21<sup>st</sup> Century” legislation was passed which included some updates/changes to the Uniform Act. As a result, there were increases in some relocation benefit maximums that became effective on October 1<sup>st</sup>, 2014.

## **11.2 Purpose for Projects Subject to Instructions & Participation of Costs**

### **A. Eligible and Approved**

All projects eligible and approved for Federal-aid or State-aid for funding in Right of Way and /or construction costs.

### **B. Participation in Cost**

Participation of Costs-Federal funds will participate in relocation payments to eligible persons when all the eligibility conditions have been met.

### **C. Project Authorization**

When there has been approval of a State/Federal-aid program or project and authorization to proceed has been issued.

### **D. Relocation of Owner**

When a person (with ownership interest in realty) has been or will be relocated from the right of way approved for such a project

### **E. Relocation Costs**

When relocation costs are incurred in accordance with law

### **F. Relocation Costs Recognized & Recorded**

When relocation costs are recognized and recorded as a liability of the State in accounts of the Georgia Department of Transportation.

## **G. After project agreement executed**

After the project agreement has been executed for the particular project involved. The type of property interest acquired does not affect the eligibility of relocation costs for reimbursement provided the interest acquired is sufficient to cause displacement. In a like manner, the terms under which a tenant is occupying property does not affect eligibility provided the occupancy is lawful and the tenant is actually displaced by the project.

## **H. Issue Due to Negligence**

Losses due to negligence of the displaced person, his agent, or employees are not eligible for reimbursement.

### **11.3 Policies for the Statewide Assurance of Adequate Relocation Assistance Program**

The Georgia Department of Transportation has assured the Federal Highway Administration that it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended and 49 CFR Part 24.

The rules and regulations required by 49 CFR Part 24 pertaining to utilities, would be the responsibility of the Georgia Department of Transportation's Utility office.

### **11.4 Procedures for the Fair and Equitable Treatment for persons displaced by Projects**

The persons handling the relocation assistance program shall be absolutely fair and impartial in their dealings with every person regardless of race, color, religion, sex or national origin. The representative of the Department should try to understand the problems of the person who is being forced to relocate and provide every service that is reasonable within the scope of the program.

The Georgia Department of Transportation is charged to insure that "Fair Housing" is offered to all relocatees. It will be the acquisition agent's responsibility to assist the relocatees if they feel that they are being discriminated against in regards to housing, by assisting them in securing the necessary information and required forms from any local H.U.D. office.

The Department's Right of Way's Brochure (What Happens When Your Property is Needed For A Transportation Facility) goes into great detail in regards to: Title VI and VIII and the Georgia Department of Transportation's representatives are expected to be fully familiar with this information.

### **11.5 Lands Acquired by Local Governments**

Lands acquired and displacements made prior to location of a highway: When land is acquired for a program or project, other than one in which Federal funds are being utilized, prior to the receipt of written advice from the Department concerning the location of a proposed highway or project or a request for reservation or conveyance for such purposes, the provisions of this manual will not apply, and there will be no participation in relocation costs.

## **11.6 Preliminary Studies-Housing Needs & Resources**

Right of Way investigations are reported at the project's conceptual stage, initially with the Conceptual Stage Study, and then updated for changes in market conditions and/or plan changes. The general requirements are as follows:

### **11.7 Conceptual Stage Study (CSS) – General Office, Relocation Unit**

When relocation planning is required by federal aid policy or State law, the proper requestor, usually the Project Manager or assigned Environmental Specialist will request or procure the CSS at the proper project time (when proper plans or layouts are available) at the start of environmental assessment. The study will be completed for the preferred or alternate route(s) prior to the public hearing and submitted to the proper requestors, Office of Program Delivery (Project Mgr.) and Office of Environmental Services (Project Environmental Specialist) for inclusion in the environmental assessment. For projects that are consultant designed, the conceptual stage study should be a deliverable under “special studies” for the NEPA document. The requestor (most cases Project Manager) will submit the CSS to Right of Way (ATTN: Relocation Mgr.) for review/approval. For “in-house” projects (environmental) the proper requestor (Project Manager or assigned internal Environmental Specialist) will request this study in writing using an internal correspondence template. The process to produce the CSS should piggyback the Avoidance and Minimization Meeting process showing the least damaging alternative before the PFPR. Right of Way Relocation will need 60 to 90 days to procure a vendor and prepare an in-house CSS (from request receipt).

Under these studies, a determination of the need for “Last Resort Housing” will be made at this time. The information derived from this study can be used to meet the public hearing requirements. Personnel making the study should reach their conclusions from visual inspections and other available sources without disturbing the tenants or owners.

- A. The following information for the preferred or alternate routes considered will be determined:
  - 1. Estimate of households to be displaced, including displacee type (i.e., residential owner or tenant) and dwelling characteristics (i.e. size, age, value/ rent, etc) in order to determine the relocation solutions anticipated. Other family characteristics and census/demographic data will be gathered within the scope

of field inspections and further addressed by the Environmental Office (These include minority, low income, the elderly, and large families).

2. Divisive or disruptive effect on the community, such as separation of residences from community facilities or separation of neighborhoods (prepared by the Office of Environmental Services).
3. Impact on the neighborhood and housing where relocation is likely to take place (prepared by OES).
4. An estimate of the number and type of businesses to be displaced.
5. The general effect of business dislocation on the economy of the community (prepared by OES).
6. A description of available replacement housing in the area, and the ability to provide relocation housing for the type of families to be displaced.
7. A description of the action proposed to remedy services that will be necessary for identified unusual conditions.
8. A description of the action proposed to remedy insufficient relocation housing, including, if necessary, housing of last resort.
9. Results of consultation with local official social agencies, and community groups regarding the impacts on the community affected (prepared by OES).
10. Provide analysis and evaluation of data relating to the characteristics of the displacee(s)/households and available housing (correlated as needed). The following should be included in the analysis/evaluation:
11. Outline any relocation problems
12. Provide an analysis of the problem(s) involved and the method of operation to resolve such problems, Including relocating to provide maximum assistance; also describe if the problem(s) are expected to affect the typical time frame for the project's relocation.
13. Recommend a relocation cost estimate (Prepared by Right of Way teams or by cost estimate section of Right of Way).
14. Make a determination of "Last Resort Housing" based upon:
  - a. State/Federal Aide project cannot proceed to Right of Way acquisition or construction

- b. Comparable replacement housing is not available for the displaced person, or
  - c. Comparable replacement is not available within the displaced person's financial means or it is available for the displaced persons within his/her financial means, but
  - d. The computed replacement housing payment exceeds \$31,000 (owner) or
  - e. The computed rent supplement payment exceeds \$7,200 (tenant)
15. An updated Conceptual Stage Study (by Right of Way General Office Personnel), may be necessary during the period between the location approval and prior to acquisition, for changes in market conditions and/or plan changes that impact the relocation plan. The previous section's information will be considered with particular attention to the re-evaluation of the relocation problems and solutions.

## **11.8 Public Hearings**

GODT, in cooperation with FHWA, has developed procedures for implementing public involvement/public hearing requirements of Title 23 U.S.C.128 and 40 CFR 1500-1506, and those procedures are reflected in the manuals for the Office of Environmental Services and the Office of Right of Way at Georgia Department of Transportation. Information is provided to describe how these procedures are carried out and how they conform to both the letter and the spirit of Federal Guidelines for conducting a public hearing. GDOT hearing style is informal and an open-house format is used. Each person attending the public hearing will be given a handout describing the various methods of commenting on the project. This handout will include a right of way and relocation statement, prepared by the General Office as well as the Department's brochure, which describes the Department's Right of Way acquisition and relocation program.

## **11.9 Relocation Planning and Relocation Assistance Advisory Services**

- A. Services to Be Provided: The advisory program shall include such measures, facilities, and services as may be necessary or appropriate in order to:
  - 1. Personally interview each person to be displaced. Determine the person's relocation needs and preference. (Interview Forms: Residential-RA28; and Business-RA29)
  - 2. At and during the negotiation phase, explain the relocation payments and other assistance for which the person may be eligible; explain the related eligibility requirements and the procedure for obtaining such assistance.
  - 3. Provide current and continuing information on the availability, purchase price or rental costs of comparable replacement dwellings; and explain that the person

- will not be required to move until comparable replacement housing is available for sale or rent.
- a. Each person shall be informed in writing of the specific comparable replacement dwelling and the price or rent used as the basis for establishing the upper limit of the replacement housing payment.
  - b. Each comparable replacement unit will be inspected prior to being made available to the displaced person(s).
  - c. All minority persons will be given reasonable opportunities to relocate to decent, safe and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means.
  - d. All displaced persons, especially the elderly and handicapped, shall be offered transportation to inspect housing which they are referred.
4. When available, provide current and continuing information on the availability, purchase prices, and/or rental costs of comparable and suitable commercial and farm properties and locations. Assist any person displaced from a business or farm operation, obtain; and become established in a suitable replacement location.
  5. Minimize hardships to persons in adjusting to relocation by providing counseling advice as to other sources of assistance that may be available, and such help as may be appropriate,
  6. Supply persons to be displaced, information concerning Federal and State housing programs offering assistance.
  7. All relocation activities shall be coordinated with project work and other displacement causing activities to ensure that, when feasible, persons displaced receive consistent treatment, and the duplication of functions is minimized.
  8. The amount and extent of the advisory services will be administered on a reasonable basis commensurate with the person's needs.

### **11.10 Manual Changes and Definitions**

The State Right of Way Administrator, acting under the Commissioner of GDOT, may make certain amendments to the guidelines set forth herein if deemed necessary. Note that the Relocation Assistance Chapter of the Right of Way Manual provides guidance, and it may not be able to address every scenario; therefore it may be appropriate to have variance due to case by case facts.

Definitions (unless context clearly indicates another meaning of different intent) are referenced in the “Uniform Act” as basis of GDOT.

### 11.11 Moving Procedures and Regulations

#### A. Individuals and Families (Move)

Any individual, family, business, farm operation, nonprofit organization, including occupants of mobile homes or a seasonal residence displaced by a State/Federal-aid highway project is entitled to receive a payment for reasonable moving expenses.

Except for hardship cases, payment will be made only after the move is accomplished.

1. Fixed Rate Schedule A-(Method “A”) This method of payment is based on a schedule of costs determined by the number of rooms containing personal property to be moved (not applicable for mobile homes). See Method “A” Move Fixed Rate Schedule approved and posted on the Federal Highway Administration’s web site (Realty section/Fixed Residential Move Cost Schedule). Below is a sample Fixed Residential Move Cost Schedule).

METHOD A MOVE: FIXED RESIDENTIAL MOVE COST SCHEDULE – **Figure 11.1**

STATE OF GEORGIA										
OCCUPANT OWNS FURNITURE										
NUMBER OF ROOMS										
1 RM	2 RM	3 RM	4 RM	5 RM	6 RM	7 RM	8 RM	Add’l RM	1 RM No furn	Add’l RM No furn
\$600	\$975	\$1300	\$1600	\$1875	\$2125	\$2325	\$2525	\$200	\$375	\$100

Effective JUNE 22, 2012, and is subject to change (check FHWA website for current rates)

2. Reasonable Actual Cost – (Method B”) Payment will be actual charges by a commercial mover. In addition, storage, insurance, removal and re-installation costs may be claimed if reasonable, necessary, and pre-approved by the State Right of Way Administrator. By written arrangement between the Department, the displaced person(s), and the mover, the displacee may present an unpaid moving bill to the Department and the mover will be paid directly. The cost of insurance covering loss and damage of personal property while in transit is eligible for Payment; whereas the coverage of such insurance shall not exceed the reasonable replacement value of the property (See Method “C” below for personal transportation cost).
3. Self-Move- “Method “C” The relocate (also known as a displacee) may move his/her self and be reimbursed for actual reasonable expenses incurred not to exceed the estimate cost of moving commercially. These expenses must be supported by “paid receipted bills or other acceptable evidence of expenses incurred”.

NOTE: If Method “B” or “C” is used, costs of transportation to the new location may be eligible if reasonable and necessary. Such costs may include special services such as the cost of an ambulance to transport invalid relocate(s). The actual reasonable costs of mileage, meal and lodging (when the Department determines that such costs are required because of unforeseen circumstances of practical necessities) may also be eligible. Temporary lodging is to be used only for short periods of time and is not intended for the purpose of expediting a project. This expense must be considered reasonable and necessary and must be pre-approved by the State Right of Way Administrator.

4. Multiple Occupants- If two or more occupants of the displacement dwelling move to separate replacement dwellings, each occupant is entitled to a reasonable pro-rata share, as determined by the Department, of any relocation payments that would have been made if the occupants moved together to a comparable replacement dwelling. However, if the Department determines that they maintained separate households within the same dwelling, such occupants have separate entitlement to relocation payments.

## **B. Businesses, Farms, & Nonprofit Organizations (Move)**

The displaced person may elect a method of payment as follows (Method “A”, “B”, or “C” detailed below):

1. In addition to Method A-Self Move, or Method B- Actual Cost Move, the following Moving Incidentals will be reimbursed, based on paid receipted bills, if pre-approved by GDOT and are considered reasonable and necessary.
  - Licenses (prorate)
  - Permits (prorated)
  - Re-lettering of signs
  - Replacing stationary on hand that is made obsolete by the move
  - Connection to available nearby utilities from the right of way to improvements at the replacement site
  - Professional Services performed prior to the purchase or lease of a business operation including but not limited to, soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site). At the discretion of the Department, a reasonable pre-approved hourly rate may be established. Note: Professional Services must be pre- approved by the Department.

- Impact fees or one-time assessments for anticipated heavy utility usage, as determined necessary by the Department.
2. Self-Move (Method A) – The owner or tenant may elect to move his/her self and under this provision, the Department will prepare an estimate by a Department estimator, not to exceed \$10,000.00. The Department’s Relocation Specialist will review estimates over \$10,000 to determine if it is reasonable and in line with similar relocation estimates; then a decision will be made in coordination with the State Relocation Manager to determine if a second estimate is necessary. (For method “A” moves, the estimates will not include insurance because in choosing Method A moves, the displacee assumes all responsibility. If Method “B” move is chosen, then the insurance may be elected by the displacee and included in the estimate.) Typically, the relocatee/displacee will be reimbursed an amount not to exceed the lower of the estimates obtained. The relocation benefits file should document any reasons why a lower estimate was not used (i.e. less detailed, less reliable, etc.). The displaced person may elect to be reimbursed by submitting paid receipted bills, but no payment can exceed what would have been paid to a commercial contractor. If the move will exceed \$10,000.00 and no estimate can be obtained, the displaced person may be reimbursed based on costs incurred supported by receipted bills or other evidence of costs incurred. In this case, the displacee should submit a good faith estimate of anticipated costs prior to move so the costs can be reviewed by the assigned Relocation Specialist or Relocation Manager.
  3. Reasonable Actual Cost (Method “B”) - The costs involved, including insurance (based on replacement value), and to remove, re-assemble and re-install (including the modification of equipment) will be determined by soliciting at least two qualified moving firms. In most cases, the moving contract should be awarded to the lowest moving estimator and the firm will be paid directly by the Department after satisfactorily completing the move. Provided that an estimate is less than \$10,000.00, one estimate may be deemed adequate, if it is considered reasonable in comparison with similar moves (must be pre- approved). If there are not two estimates obtained (for over \$10,000 situations), the relocation specialist (in coordination with the State Relocation Mgr.), should document the relocation benefits file with any reasons or justification.
  4. Actual Direct Loss of Tangible Personal Property(Alternate Payments in addition to Methods “A” or “B”) – Businesses or farms may be eligible for actual direct losses of tangible personal property when they are entitled to relocate such personal property in whole or in part but elect not to do so. Such payments may only be made after a bona fide effort has been made by the owner to sell the item(s) involved. A bona fide effort to sell means by appropriate publicity such as: newspaper advertisement, public auction, radio announcements, written public notices, posted signs or any other sincere effort, and such method used must be documented by the owner and the documentation furnished to the Department. The sales prices, if any and the actual reasonable costs of

advertising and conducting the sale must be supported by a copy of the bills of sale or similar documents and by copies of any advertisement, offers to sell, auction records and other documents supporting the bona fide nature of the sale. A bona fide sale as used in this manual means an authentic, sincere sale made in good faith without the intent of fraud or deceit. A sale to a business associate, partner, wife, husband or relative would not normally be considered a bona fide sale unless it was given appropriate publicity and such sale was competitive bidding open to the public. The district is to obtain, prior to the move, be sold and/or not moved by the displaced person. Such inventory may be prepared by the displaced person(s) and a personal inspection and verification of such items is then made by the District.

- a. If an item of personal property which is used in connection with the business is not moved but promptly replaced with substitute item that performs a comparable function at the new location, the reimbursement shall be the lesser of:
  - 1) The cost of the substitute item including installation costs at the replacement site minus any proceeds from the sale; or
  - 2) The estimated costs of moving and installing the replaced item based on the approved low bid or estimate, but not to exceed 50 miles and with no allowance for storage; or
  - 3) In addition, the reasonable cost incurred in attempting to sell the item(s)
- b. If the item is not to be replaced in the re-established or discontinued business, the payment will be the lesser of:
  - 1) The fair market value of the item for continued use at its location prior to displacement less the proceeds from its sale. When payment for property loss is claimed for goods held for sale, the fair market value shall be based on the cost of the goods to the business, not the potential selling price; or
  - 2) The estimated costs of moving and installing the item based on the approved low bid or estimate, but not to exceed 50 miles and with no allowance for storage; or
  - 3) Plus reasonable cost incurred in attempting to sell the item(s)
- c. If a bona fide sale is not affected under section (A) or (B ) above because no offer is received for the property and the property is abandoned; payment for the actual direct loss of that item(s) may not be more than the fair market value of the item for continued use at its location prior to displacement or the estimated cost of moving the item(s) 50 miles but with no allowance for storage, whichever is less, plus the cost of the attempted sale irrespective

the cost to the Department of removing the item(s). The fair market value or the replacement cost of an item of personal property, whichever is applicable, is to be determined by employing the services of a person who specializes in the manufacture, sale, lease erection, installation or maintenance of the item(s) to the extent that he is considered to be an expert on its value or employing the services of a fee appraiser. The fair market value for continued use or replacement cost of the item(s) must be documented in writing giving a complete description and name of each item including, where applicable, information such as manufacturer's name, age of item/ year built, model serial number, nameplate data as to size, H.P....B.T.U, ratings, voltage class, etc.; give new installed cost including cost of item and cost of installation; give depreciation including physical, functional and economic with the reasoning and method by which it was derived; give the present value in the place of the item; set forth all sources of estimate such as cost manuals, and indexes, manufacturer's quotations, used equipment suppliers, tradesman, etc.; be signed by the person making the determination.

5. Actual Reasonable Expenses in Searching for a replacement Business Site (In addition to Method 'A' or "B"). The owner of a displaced business may be reimbursed for the actual reasonable expenses in searching for a replacement business site, not to exceed \$2,500.00. Such expenses may include transportation expenses, meals, lodging away from home and the reasonable value of time actually spent in search, including the fees of real estate brokers or agents who assist in the location of a replacement site (Note: this does not mean sales commission.)

- Receipted bills – All expenses claimed except value of time actually spent in search must be supported by receipted bills.
- Time Spent in Search – Payment for time actually spent in search shall be based on applicable hourly wage rate for the person(s) conducting the search. A certified statement of the dates and hours spent searching, including the places visited and the person(s) contacted, must accompany the claim.

6. Average Earnings Business or Farm/ In Lieu Of – Method "C"

"In Lieu Of" all other relocation payments, a displaced business (Including a displaced business, which is discontinued) may elect to receive an amount equal to the average annual net earnings of the business except that such payment will not be less than \$1,000.00 or more than \$40,000.00. The term "average annual net earnings" means one-half of any net earnings of the business before Federal, State and local income taxes, during the two (2) taxable years immediately preceding the

taxable year in which the business is displaced. If the business was not in operation for the full two (2) taxable years prior to displacement, net earnings will be based on the actual period of operation at the acquired site during the two (2) taxable years prior to displacement, projected to an annual rate. In addition, if the two (2) taxable years immediately preceding displacement are not representative, an alternate two (2) year period may be used and the average net earnings may then be based upon a different period of time when GDOT determines it to be more equitable. Further, it must be determined that the proposed construction has been the cause resulting in a decline in net income or clientele for the business prior to utilizing alternate tax year's procedure. Net earnings include any compensation obtained from the business or farm operation by its owner, the owner's spouse, or dependents. Such earnings and compensation may be established by Federal income tax returns or certified financial statements certified by a Certified Public Accountant, authorized to practice in the state of Georgia, filed by the business its owner, spouse, and dependents during the two (2) year period. In the case of a corporate owner of a business, earnings shall include any compensation paid the spouse or dependents of the owner of majority interest in the corporation. In the purpose of determining majority ownership, stock held by a husband, his wife, and their dependent children shall be treated as one unit.

1. For the owner of a business to be entitled to this payment, GDOT must determine that:
  - a. The 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 a move; and the business vacates or relocates from its displacement site.
  - b. The business cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings). A business is assumed to meet this test unless it is determined that it will NOT suffer a substantial loss of its existing patronage; and
  - c. The business is not part of a commercial enterprise having more than three (3) other entities which are not being acquired by GDOT, and which are under the same ownership and engaged in the same or similar business activities; and
  - d. The business is not operated at a displacement dwelling solely for the purpose of renting the dwelling to others; and
  - e. The business is not operated at the displacement site solely for the purpose of renting the site to others; and
  - f. The business contributed materially (see definitions) to the income of the displaced person during the two (2) taxable years prior to displacement; and

- g. The “contributed materially” test may be waived by GDOT for documented good cause
- 2. In determining whether two (2) or more displaced legal entities constitute a single business, which is entitled to only one fixed payment, all pertinent factors will be considered, including to the extent to which:
  - a. The same premises and equipment are shared
  - b. Substantially identical or interrelated Business functions are carried out and business and financial affairs are commingled
  - c. The entities are held out to the public and to those customarily dealing with them as one business
  - d. The same person(s) or closely related persons own control or manage the affairs of the entities

## **B. Farms**

“In Lieu Of” all other relocation payments, a displaced farm operator may elect to receive an amount equal to the average annual net earnings of the farm operation except that such payment will not be less than \$1,000.00 or more than \$40,000.00.

The term “average annual net earnings” means one-half of any net earnings of the farm operation before Federal, State and local income taxes, during the two (2) taxable years immediately preceding the taxable year in which the farm operation is displaced.

If the farm was not in operation for the full two (2) taxable years prior to displacement, net earnings will be based on the actual period of operation at acquired site during the two (2) taxable years prior to displacement, projected to an annual rate. Net earnings include any compensation obtained from the farm operation by its owner, the owner’s spouse or dependents. Such earnings and compensation may be established by federal income tax returns or certified financial statements certified by a CPA (certified public accountant) authorized to practice in the state of Georgia filed by the farm operator, its owner, its spouse, and dependents during the two (2) year period. In the case of a corporate owner or a farm operation, earnings shall include any compensation paid to the spouse or dependents of the owner of a majority interest in the corporation. In the purpose of determining majority, stock held by a husband, wife and their dependent children would be treated as one unit. For the owner to be eligible for this payment, GDOT must determine prior to the move by documentation that:

1. The farm operation products or commodities in sufficient quantity to be capable of contributing materially (See definitions) to the operator's support; or
2. The farm operator was required to discontinue his entire farm operation at its present location or was required to relocate the entire farm operation; or
3. In the case of a partial acquisition, the operator will be considered to have been displaced from a farm operation if:
  - a. The acquisition of part of the land caused the operator to be displaced from the farm operation on the remaining land; or
  - b. The partial acquisition caused substantial change in the nature of the farm operation.

**C. Nonprofit Organizations**

"In Lieu Of" all other relocation payments, displaced nonprofit organizations may elect to receive an amount equal to the average annual net earnings of the farm operation except that such payment will not be less than \$1,000.00 or more than \$40,000.00 if:

1. The nonprofit organization cannot be relocated without a substantial loss of its existing patronage (members or clientele). A nonprofit organization is assumed to meet this test, unless the Georgia Department of Transportation demonstrates otherwise; and
2. Any payment in excess of \$1,000.00 must be supported with financial statements for the two (2) twelve (12)-month periods prior to acquisition. The amount to be used for the payment is the average of two (2) year's annual gross revenues less administrative expenses

**D. Owner Must Provide Information**

For the owner of a business farm or nonprofit organization to be entitled to the "In Lieu of" moving payment, the owner must provide information to support its net earnings. City and/or County, State or Federal tax returns for the tax years in question are the best sources of this information and would be accepted as evidence of earnings. At the Department's discretion, commonly acceptable methods could be accepted such as certified financial statements or an affidavit from the owner stating his net earnings, provided it grants the Georgia Department of Transportation the right to review the records and accounts of the business. The owner's statement of his income alone would not be sufficient if the amount exceeds \$1,000.00.

**E. Reestablishment Costs (In addition to Method "A" or "B" Move)**

In addition to expenses for moving and searching for a replacement site, a small business (see definitions, Uniform Act), farm or nonprofit organization is entitled to receive a payment, not to exceed \$25,000.00 for expenses actually incurred (“arm’s length”) in relocating and reestablishing such small business, farm or nonprofit organization at a replacement site. Expenses should be pre-approved in writing as eligible, and reasonable and necessary (see also proper documentation of Relocation Expenses). The reestablishment payment eligibility extends to the following entities that are required to relocate:

- An owner of a rental dwelling being rented to others
- An owner of a building being rented for a business
- An owner who owns a multi-tenant commercial/retail building whereby the owner operates a business and leases the remaining building space to others, is eligible to claim two (2) reestablishment payments (One for his/her business as well as a second payment entitlement for the building being rented to others). In this case, the owner is eligible for up to a maximum of \$25,000.00 each for both establishments and operations
- A tenant who leases the building from others for his/her business operation
- A tenant who subleases a building to others with the owner’s consent
- An owner of a mobile home lot being rented to others
- A tenant who subleases a mobile home lot to others with the owner’s consent

#### **F. Reestablishment Eligible Expenses**

Reestablishment expenses must be reasonable and necessary, as determined by GDOT. A detailed list of the charges were or will be involved in the reestablishment of the business will be reviewed by GDOT, and all eligible costs that were actually incurred and paid will be reimbursed, but not to exceed the maximum amount allowed as stated above (\$25,000.00). They may include, but not limited to the following:

- Repairs or improvements to the replacement real property as required by Federal, State or local law, code or ordinance
- Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting business
- Construction and installation costs for exterior signing to advertise the business

- Redecoration or replacement of soiled or worn surfaces at the replacement site such as paint, paneling and carpeting
- Advertisement of replacement location
- Estimated increased costs of operation during the first two (2) years at the replacement site for such items as:
  - ❖ Lease or rental charges
  - ❖ Personal or real property taxes
  - ❖ Insurance premiums
  - ❖ Utility charges excluding impact fees
- Other items that the Department considers essential to the reestablishment of the business

**G. Reestablishment Ineligible Expenses**

The following is a nonexclusive listing of reestablishment expenditures NOT considered reasonable, necessary, or otherwise eligible:

- Purchase of capital assets, such as office furniture, filing cabinets, machinery or trade fixtures
- Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation
- Interest on money borrowed to make the move or purchase the replacement property
- Payment to a part-time business in the home, which does not contribute materially to the household income
- Sites occupied solely by outdoor advertising signs, displays, or devices

**H. General Moving Payments**

Moving payments may be made when any eligible person, families, business, farm, or nonprofit organization is displaced as the result of the acquisition or clearance of right of way for construction of a highway project. There is no occupancy time limit for eligibility of moving expenses, except a displaced person must be in legal occupancy at the initiation of negotiations or at the time title passes to GDOT. Illegal

immigrants (see definitions) are NOT eligible for benefits under the provisions of the Uniform Relocation Act.

**I. Surveillance (Business, Farms and Nonprofit Organizations)**

It is required by law that all moving expenses be actual and reasonable. To assure this, GDOT's District Right of Way personnel will provide surveillance commensurate with the expected expenditures involved. Emphasis will be directed toward those moves that are of a complicated nature and/or a substantial expenditure. All business, farm, or nonprofit organizations must provide the Department seven (7) days advance notice of the approximate date of the start of the move or disposition of the personal property.

**J. Personalty Inventory**

The owner of a displaced business, farm or nonprofit organization and GDOT's District Right of Way Specialist must be in agreement regarding the items to be moved as personalty. The agreed upon inventory of personalty to be moved is determined in the appraisal process (i. e. specialty report such as trade fixture analysis). Upon completion of the move (under Method "A" or "B"), the displaced person must support the bill or his/her claim for payment with a list of actual cost items. If the items moved deviates an appreciable extent from the agreed upon inventory, the amount estimated or agreed to, will be appropriately adjusted before payment is made. Items of personalty, trade fixtures and realty are determined in the appraisal and specialty reporting process.

**K. Abandoned Personal Property**

When personal property is abandoned with no effort being made by the owner to dispose of such property by sale, the owner will NOT be entitled to moving expenses or losses for the item(s) involved. GDOT in accordance with state law will request the owner to transfer to the Department, in writing, the ownership of any personal property that has been abandoned.

**L. Distance of Move**

There is no limitation on the distance a relocatee/displacee may move either interstate or intrastate; however, reimbursement for transportation charges is limited to a distance of fifty (50) miles. Exceptions will only be allowed when the relocation cannot be accomplished within the fifty-(50) mile area and then only to the nearest available site.

**M. Moving Incidentals: Stationary, Licenses, Permits, Re-lettering of Signs, Replacement of Stationery, Connection to Utilities, Professional Services, and Impact Fees (In addition to Method A or B, Businesses, NPO's, Farms)**

Eligible for payment are the re-lettering of signs and replacing stationary on hand at the time of displacement that is made obsolete because of the move. License, permits, or certifications required of the displaced person at the replacement location are also eligible; however, the payment will be based on the remaining useful life of the existing license, permit or certification. Connection to available nearby utilities may be eligible from the Right of Way to the improvements at the replacement site; impact fees or one time assessments for anticipated heavy utility usage; professional services performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation, including but not limited to soil testing, feasibility and marketing studies, (excluding any fees or commissions directly related to the purchase or lease of such site. These expenses should be pre-approved as reasonable and necessary by the Department. These expenses are eligible for Businesses, Farms, and Non-Profit Organizations that elect Method A or B Moves only (Move incidentals are not eligible with Method C In Lieu Of).

**N. Costs of Securing Moving Estimates**

Reasonable and necessary fees (or expenses) by qualified estimators for securing moving estimates as a part of the pre-acquisition process may be approved for payment by the Georgia Department of Transportation's Project/District Right of Way Acquisition Manager(s) for payment, with proper bills/invoices, provided the payment is in accordance with GDOT Procurement and related accounting payment policies (i.e. purchase order).

Reasonable and necessary costs for securing moving estimates that are not a part of the pre-acquisition process, and that are part of the Method B Actual Cost Move may be considered for payment as a Relocation Move Claim if reviewed and approved by the relocation benefits specialist in ROW Relocation (G.O.). This Relocation moving payment benefit can be paid by check request with the appropriate service code (i.e. Relocation Move Pmt).

**O. Storage**

Normally storage will only be approved when Method "B" Move/Actual Cost Move is used. Since this is not a regular relocation benefit extended to all displacees, it must be determined reasonable and necessary by the Right of Way Administrator. It must also be necessary for a relocated person to store his/her personal property for a reasonable time, not to exceed twelve (12) months (costs of such storage shall be eligible for payment as part of the actual cost moving expenses). Storage of personal property on property already owned or leased by the person is NOT eligible for payment.

**P. Removal & Re-installation Expenses**

Physical changes to real property at the replacement location of a business, farm or nonprofit organization are NOT reimbursements as part of moving costs. However, the expenses of disconnecting, dismantling, removing, re-assembling and re-installing relocated machinery, equipment, and other personal property are eligible. This includes connection to utilities available nearby. Also included are modifications to the personal property necessary to adapt it to the replacement structure, the replacement site to the personal property. (Expenses for providing utilities from the Right of Way to the building or improvements are excluded). Such costs are not applicable to items classified as real property and retained by the owner through the owner retention process. Prior to payment of any expenses for removal and re-installation of such property, the owner and GDOT shall agree in writing that the property is personalty, and state his release from any payment for the property as realty.

**Q. Losses in Moving**

The reasonable replacement value of personal property lost, stolen or damaged (not caused by the fault or negligence of the displaced person, his agent or employee) in the process of moving, where insurance coverage for such loss, theft, or damage is not available, is reimbursable.

**R. Professional Services**

Professional services necessary for planning the move, moving, and installing the relocated personal property at the replacement location, is reimbursable. This must be pre-approved in writing by the State Right of Way Relocation Manager (or his designated Relocation Specialist) prior to payment.

**S. Ineligible Moving Costs**

A displaced person is not entitled to payment for:

1. Additional operating expenses incurred because of operating or living in a new location except as noted under "Professional Services".
2. Cost of moving any structures, or other real property improvements in which the displaced person reserved ownership
3. Improvements to the replacement site
4. Interest on loans to cover moving expenses
5. Loss of goodwill
6. Loss of trained employees

7. Loss of business and/or profits
8. Personal injury
9. Cost of preparing the application for moving and related expenses
10. Payment for search cost in connection with locating a replacement dwelling
11. Costs for storage of personal property on real property already owned or leased by the displaced person

**T. Notice of Denial of Claim**

If GDOT disapproves all or part of a payment claimed or refuses to consider the claim on its merits because of untimely filing or other grounds, the claimant will be promptly notified in writing of this determination and the basis for it.

**U. Documentation of Claims for Payment of Reimbursable Relocation Expenses**

Any such claim must be supported by copies of invoices, estimates, paid receipts, contracts, and/or proposals, which contain breakdowns of associated cost and must be under a company letterhead accompanied by a company representative's signature. The documentation must be verified and initialed by the Acquisition agent assigned to administer the relocatee/displacee's relocation assistance benefits. Since these payments are reimbursements, the documentation should be marked paid and the Acquisition agent must verify that the associated expenses have been incurred.

**V. Claim Submission**

All relocation assistance claims must be submitted for payment (1) within eighteen months of date a tenant moves, or (2) within eighteen months from the owner's date of move or date of final payment for the acquired dwelling, whichever is later.

**W. Eviction for Cause**

Eviction for cause must conform to applicable state law. Any person, who occupies the real property and is not in unlawful occupancy on the date of the initiation of negotiations, is presumed to be entitled to relocation payments and other assistance unless GDOT determines that:

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

- In either case, the eviction was not undertaken in the purpose of evading the obligation to make available the payments and other assistance

## **11.12 Replacement Housing & Rent Supplement Payments (Residential)**

### **A. Payments to Owner Occupants**

A displaced owner-occupant (also known as a residential owner displacee) of a dwelling may receive additional payments for cost necessary to purchase replacement housing; to compensate the owner for the loss of favorable financing on his existing mortgage in the financing of replacement housing; to reimburse the owner for closing costs incidental to the purchase of replacement housing when such costs are incurred.

### **B. Methods of Determining Payments**

The payment is the amount which when added to the acquisition payment is the reasonable cost of the decent, safe and sanitary dwelling actually purchased and occupied by the displaced person(s) or the amount determined by the Georgia Department of Transportation as necessary to purchase a comparable dwelling, whichever is less.

The price of a “comparable” dwelling shall be established by the following method:

The three (3) comparable method to determine the probable selling price or rental of a comparable dwelling by analyzing at least three (3) comparable dwellings representative of the dwelling unit to be acquired which are available on the private market and are comparable (see definitions). Less than three (3) comparable dwellings may be used for this determination when additional comparable dwellings are not available, which must be documented. Selection of comparable dwellings and computation of the payment must be made by a qualified Right of Way Department employee other than the Department’s acquisition agent, appraiser, or review appraiser on the parcel involved. The subject comparable dwellings must be the most representative of and equal to or better than the subject property.

The replacement housing payment for owner occupied parcels is based on the tabulated fair market value of the parcel for acquisition. A change in the fair market value either through appraisal revision or settlement above the fair market value will affect the “replacement housing payment” (as explained in the Right of Way Brochure-“What Happens When Your Property is Needed for a Transportation Facility”). The replacement housing payment is the difference, if any, between the amount finally paid for the property acquired and the actual cost which the owner paid for a decent, safe and sanitary dwelling or the amount determined by GDOT as necessary to purchase a comparable dwelling, whichever is less. Any approved

counter offer may reduce their replacement housing payment as noted in our availability letters. A confirmation of the appropriate replacement housing payment should be determined by the Department's Relocation Section. All replacement housing payment claim forms submitted must be accompanied by a signed copy of the settlement and disbursement statement (S & D) for the acquired parcel or other similar supporting closing document.

1. General Provisions
2. Residential Lots & Basic Dwelling

Residential properties that are located on typical lots and are being totally acquired will normally be compared directly with comparable dwellings disregarding small variances in overall square footage. Additionally to the extent feasible, comparable replacement dwellings will be selected from the neighborhood in which the displacement dwelling was located or, if that is not possible, in nearby or similar neighborhoods where housing costs are generally the same or higher.

3. Carve-outs/Major Exterior Attributes (& items affecting Relocation Fair Market Value (FMV) Base)

When the site of the comparable dwelling lacks a major exterior attribute of The displacement dwelling site (such as outbuildings, swimming pools and greenhouses), the value of such attribute will be subtracted or "carved out" from the value of the displacement site.

Additional items which affect the Relocation FMV Base for purposes of calculating Replacement Housing Payments for eligible Residential Owner Occupants are:

- Partial Acquisition Involving Economic/Uneconomic Remnants;
- Replacement Housing Payments, Buildable Remainder

If the partial acquisition of a residential property causes the displacement of the owner occupant and the remainder is buildable residential lot, GDOT may elect to offer to purchase the entire property. If an offer is made and the owner refuses to sell the remainder, then the fair market value of the remainder will be added to the acquisition price of the subject parcel for purposes of computing the replacement housing payment.

If an offer is NOT made to purchase the entire property then the payment determination will be based on the acquisition price of the subject property. GDOT has maintained a policy of offering to purchase the "buildable" remainder

residential properties when a combination of ALL of the following circumstances occurs:

- An owner occupied residential improvement is located within the required right of way and or easement
- The remaining tract is five (5) acres or less
- The remaining tract of land is determined to be a “buildable residential site”
- The remaining property does NOT include any other residential or commercial units that are occupied

Similar to an “uneconomic remnant” (remaining tract of land that is an unbuildable residential lot due to shape, size, topography and/or local zoning ordinances) the property owner has no obligation to sell the remaining tract; however, unlike the “uneconomic remnant”, the Replacement Housing Payment will only be computed based on the total before value of the whole parcel, regardless of the owner’s decision. The purpose of tabulating the fair market value in this manner is to prevent a windfall profit in the acquisition process from an owner retaining both the ownership of the buildable remainder and maximum replacement housing payment for a replacement site. The Department reserves the option to not purchase buildable remainder under this method if the cost of the buildable remainder is exceedingly high (i.e., based on a commercial land value) in which cost to acquire does not serve the purpose of preventing a windfall (intended purpose).

When the appraisal does not verify the occupant status, the Relocation Section will assist the Review Appraiser in identifying residential occupied parcels; and the Review Appraiser will verify from the appraisal that the remainder property is buildable (meeting requirements outlined above) and tabulate a value for the required acquisition as a partial acquisition and also a value of the parcel as a total acquisition for relocation purposes (value of total acquisition is known as FMV With Relocation Remainder).

#### 4. Replacement Housing Payments, Uneconomic Remnants

When the Review Appraiser determines that the remainder property is an uneconomic remnant, the replacement housing payment offer will be computed by two methods with both options being offered to the property owner:

- If the owner elects to retain the uneconomic remnant then the replacement housing payment will be the difference between the cost of comparable housing and the acquisition price of the subject parcel.

- If the owner elects to sell the uneconomic remnant, then the value of the remnant will be added to the acquisition price of the parcel to determine the replacement housing payment.

#### 5. Tract Larger Than Normal

Where a dwelling is located on a tract larger than normal for residential use in the area (such as extra land or farm units), the maximum replacement housing payment is the selling price of a comparable replacement dwelling on a tract typical in size for the residential use of the area less the acquisition price of the acquired land which represents a tract typical in size for residential use in the area.

#### 6. Dwelling on Land with Higher & Best Use

The maximum amount payable is the selling price of a comparable replacement dwelling on a tract typical in size for residential use in the areas, less the acquisition price of the acquired dwelling plus the acquisition price of that portion of the acquired land, which represents a typical lot for residential use in the area.

#### 7. Insurance Proceeds

To avoid duplicate compensation, the amount of any insurance proceeds received by a person in connection with a loss to the displacement dwelling due to a catastrophic occurrence (i.e. fire, flood,...etc.) shall be included in the acquisition cost of the displacement dwelling when computing any replacement housing payment.

#### 8. Multiple Occupancy

If two or more occupants of a displacement dwelling move to separate replacement dwellings, each occupant is entitled to a reasonable pro-rata share, as determined by The Georgia Department of Transportation, of any moving and replacement housing payment that would have been made if the occupants moved together to a comparable replacement dwelling.

#### 9. Joint Residential & Business Use

The owner occupant of a business living in the unit is also eligible and payment will be determined by "carving out" that percentage of the acquisition price based on the living area, he occupies. If the owner of the business is renting, then the same "carving out" procedure mentioned above, will apply, except it will be applied to the total rent paid in order to establish a rent supplement. Comparable housing will be based on the living area occupied or larger.

## 10. Multiple Family Dwelling- Owner Occupied

- If the acquired dwelling was occupied by the owner, and was part of a property that contained another dwelling unit, only that portion of the Fair market value which actually attributes to the acquired dwelling, shall be considered its acquisition cost when computing any replacement housing payment amount.
- The payment will be determined by “carving out” that percentage of the acquisition price, including land based on the living area he occupies. The replacement housing payment determination is that difference, if any, between the value of the owner’s living unit and the cost of replacement housing.

## 11. Typical Residential Lot Size (Acquired Dwelling)

Typical lot size if necessary will be determined by GDOT based on comparable lots for residential property in the project area, or the area used as a yard and maintained as residential use.

## 12. Payment Determination of Person(s) with Partial Ownership

When a dwelling is owned by several persons and occupied by only one or some of the owners, the replacement housing payment will be the difference between total acquisition costs of the acquired dwelling and the amount determined by GDOT as necessary to purchase a comparable dwelling. If the displaced occupant(s) is unable to purchase because they cannot afford to purchase a dwelling in excess of the full acquisition price, they can still qualify for a payment if the occupant(s) reinvest his/her share of the acquisition proceeds plus the computed supplement payment into a decent, safe and sanitary dwelling, which he/she will occupy.

In addition, a down payment or rent supplement might be used to solve relocation problems of occupants with a partial ownership.

## 13. Time of Contact

Information shall be furnished to owner occupants simultaneously with the initiation of negotiations for the property. Tenants will be contacted within a reasonable time but not later than two (2) weeks after the initiation of negotiations have begun with the owner. In addition, when possible, families and individuals will be notified in writing of the amount of replacement housing payment.

## 14. Illegal Immigrant

Public Law 105-117, III Statute 2384, was enacted on November 21, 1997, amending the Relocation Uniform Act to include provisions making an illegal alien "INELIGIBLE" for any type of Relocation Advisory Assistance and/or payment. Effective March 15, 1999, the provisions for Public Law 105-117 were implemented which provides that aliens, not lawfully present in the United States are not eligible to receive relocation assistance payments and/or any other benefits that are commonly provided to displacees. This law requires that persons seeking relocation payments or assistance under the Uniform Act certify, as a condition of eligibility, that they are citizens or are otherwise lawfully present in the United States. If it is discovered that some of the occupants of the household and/or business are illegal aliens, then any payments or benefits the family or business would have received if all were legally present in the United states, would only be made payable to the remaining eligible family occupants or business partners. Under law, the Georgia Department of Transportation may deny eligibility only if:

- A person fails to provide the required certification; or
- The Department determines that a person's certification is invalid, based on a fair and non-discriminatory review of an alien's documentation or other information that the agency considers reliable and appropriate; or
- The Department concludes that denial would not result in "exceptional and extremely unusual hardship situations".

If the Department, based on its review or on other credible evidence, believes that a displaced persons' certification is invalid, it shall obtain further information before making a final determination to deny eligibility.

If the displacing agency believes that a certification by an alien in the United States is invalid, it must obtain verification from the local office of the Immigration and Naturalization Service (INS) before making the determination final.

Therefore, a certification statement has been added to all Relocation claims for payment, as well as any notification and application to receive, benefit forms.

On August 22, 1996, President Clinton signed into law, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (the Welfare Act). This legislation dramatically altered the current welfare system and, in Title IV, restricted the access of legal and illegal immigrants to a wide range of public benefits. The new law has a number of important implications for INS (U. S. Immigration and Naturalization Service), including requiring the service to establish a verification system to determine eligibility for most federal public benefits. Since there continues to be change with regard to immigration and legal occupancy, the Department is committed to incorporating updates of

Federal and State Law (along with FHWA guidance) in the administration of the Relocation Assistance Program.

#### 15. Lawful Presence

Several provisions of the welfare and immigration reform laws require that aliens be “lawfully present” in the United States. This includes aliens applying for Title II Social Security benefits (retirement, survivor’s and disability insurance payments). The phrase “alien not lawfully present in the United States”, include:

- An alien present in the United States who has not been admitted or paroled in the United States pursuant to the Immigration and Nationality Act and whose stay in the United States has not been authorized by the United States Attorney General; and
- An alien who is present in the United States after the expiration of the period of stay authorized by the United States Attorney General or who otherwise violates the terms and conditions of admissions, parole and authorization to stay in the United States.

#### 16. Replacement Housing Payments to Property Owners Where Comparable Replacement Dwelling Is Scarce or Not Readily Available

In certain instances, comparable replacement dwellings may not be available in rural or sparsely settled areas. However, at least one or more comparable dwelling(s) must be made available. In rare cases, it may be necessary to use last resort housing procedures in order to provide replacement housing. Some of these procedures may be as follows:

- If other housing is available in the area that is comparable, except it is NOT decent, safe and sanitary, the supplemental payment may be determined by estimating the cost to correct the decent, safe and sanitary deficiencies, adding this amount to the asking price of the replacement housing which is not decent, safe and sanitary, and comparing this amount against the acquisition price paid the relocatee/displacee for his/he dwelling. The seller of the non-decent, safe and sanitary dwelling must agree in writing to correct the deficiencies and quote a sales price with the deficiencies corrected. If the displacee elects this dwelling as his replacement residence, he would not be expected to move nor would payment be made until the deficiencies were corrected.
- If the above method is not utilized, the replacement housing payment will be estimated by the amount of established fair market value for a dwelling at the present location (acquisition cost) as compared to the sum of a typical

home site in the general area plus a comparable, decent, safe and sanitary dwelling with normal site improvements, including customary landscaping.

### **11.13 Replacement Housing Payment Eligibility**

To receive payment for replacement housing, an eligible owner or tenant occupant must be a United States citizen or lawfully present in the United States and comply with the following:

- A. Must have owned and occupied the dwelling for not less than 90 days immediately prior to the initiation of negotiations or in the case of a tenant, be in occupancy at least 90 days immediately prior to the initiation of negotiations, or be considered eligible as a less than a 90-day subsequent occupant (see definitions)
- B. Must have purchased or rented and occupied a decent, safe and sanitary replacement dwelling within one year from the latest of the following dates (both dates apply to owners while only item "11.15" (the date moved, applies to tenants)):
  1. The date final payment for the property was received through negotiated settlement or condemnation, or
  2. The date moved. If a displaced person initially occupies a replacement dwelling after the date by which occupancy is required, but the delay is caused by reasons beyond the displaced person's control, as determined by the Georgia Department of Transportation, the occupancy requirement shall be considered satisfied.
- C. For purposes of replacement housing payment eligibility, a displaced person purchases or rents dwelling when he/she:
  - Purchases a dwelling;
  - Purchases and rehabilitates a sub-standard dwelling, (only allowed in special cases as determined by the Georgia Department of Transportation); or
  - Relocates a dwelling which he/she owns or purchases; or
  - Constructs a dwelling on a site in which he/she owns or purchases (constructs means build by qualified contractor developer, by contract, for turnkey development; since most property owner displacees are not typically qualified to act as builder-developers; exceptions only by written pre-approval by the State Relocation Manager, or his designated Relocation Specialist); or
  - Contracts for the purchase or construction of a dwelling on a site provided by a builder or on a site the person owns or purchases (above definition of constructs applies); or

- Relocates to a previously purchased dwelling and site, valuation of which will be based on current fair market value; or
  - Has rented and occupied a decent, safe and sanitary dwelling within the twelve (12) month period.
- D. A displaced person who initially rents a replacement dwelling and receives a rent supplement payment is eligible to receive down payment assistance. If he/she meets the eligibility criteria for such payments, including purchase and occupancy within the prescribed twelve (12) month period. Any portion of the rent supplement payment that has been disbursed shall be deducted from the down payment.
- E. A replacement housing payment is personal to the displaced person and upon his/her death, the un-disbursed portion of any such payment shall NOT be paid to the heirs or assigns, except for the following:
- The amount attributable to the displaced person's period of actual occupancy of the replacement housing shall be paid;
  - The full payment shall be disbursed in any case in which a member of a displaced family dies and the other family member(s) continue to occupy the replacement dwelling selected.
  - Any portion of a replacement housing payment necessary to satisfy the legal obligation of an estate in connection with the selection of a replacement dwelling by or on behalf of a deceased person shall be disbursed to the estate.
- F. Georgia Department of Transportation must inspect the replacement dwelling to determine that it meets the standards for decent, safe and sanitary housing. The determination of Georgia Department of Transportation that a replacement dwelling meets the standards for decent, safe and sanitary housing is made solely for the purposes of determining the eligibility of displaced individuals and families for payments and does not create a liability or representation for any other purpose.
- G. A mobile home may be considered to meet the requirements for a replacement dwelling for a displaced person if it meets the decent, safe and sanitary.
- H. The displaced owner-occupant is not required to purchase a "comparable" replacement dwelling in order to qualify for a replacement housing payment. Comparability is used as a standard in determining the amount to which he/she is entitled for replacement housing; however, the dwelling purchased must be decent, safe, and sanitary.

- I. The three comparable methods will be used to determine the replacement housing payment, but when an owner retains his/her dwelling, moves it from the displacement site, and reoccupies it on a replacement-housing site will be considered the sum of:
- The cost of moving and restoring the dwelling to a condition comparable to that prior to the move, including the retention value of the retained dwelling; and
  - The costs incurred to make the unit, a decent, safe and sanitary replacement dwelling; and any deficiencies must be pre-determined by the Georgia Department of Transportation and agreed upon by the owner and the Department; and
  - The current fair market value for residential use of the Replacement site, unless the claimant rented the displacement site and there is a reasonable basis for the claimant to rent a suitable replacement site. For purposes of the replacement housing computation, the “acquisition cost” of the displacement dwelling will be the total amount determined to be just compensation for real property. The retention cost of the dwelling will not be deducted from the acquisition cost before the replacement housing computation.

#### **11.14 Residential Owner Option - Rent Supplement**

Where an owner-occupant is qualified for a replacement housing payment, but elects to rent, a rent supplement payment will be computed and disbursed in accordance with the following section.

- A. A residential tenant or owner of at least 90 days may be eligible for a payment not to exceed the actual cost for him/her to rent a decent, safe and sanitary dwelling, provided they have lawfully occupied the unit acquired, ninety (90) consecutive days immediately prior to the initiation of negotiations. The payment, not to exceed \$7,200.00 at which time of “Last Resort Housing” will be implemented shall be determined by subtracting from the amount which the tenant actually pays (including utilities) for the replacement dwelling or, if lesser, the amount as determined by the Georgia Department of Transportation as necessary to rent (Including utilities) a comparable dwelling for forty two (42) months, the lesser of:
1. Forty two (42) times the average monthly rent and estimated utilities paid by the displaced person during the last three(3) months; or
  2. If such average monthly rent and estimated utilities is not reasonably equal to market rentals for similar dwellings, the fair market rent as established by the Georgia Department of Transportation may be used; or
  3. Thirty percent (30%) of the displaced person’s average gross household income (provided the household income is considered “low income in the applicable

HUD survey of low income limit). If interviewee declines to disclose income (information) then this provision is void.

4. The total of the amounts designated for shelter and utilities if receiving a welfare assistance payment from a program that designates the amounts for shelter and utilities. This program is used under federal guidance and depending on the type of assistance program.
- B. In the event an eligible tenant elects to purchase rather than rent a decent, safe and sanitary dwelling, he/she may receive an amount not to exceed the tabulated maximum rent supplement. This amount may consist of:
1. Down payment applied to the equity of the replacement property
  2. Eligible closing costs not to exceed the approved tabulated rent supplement maximum
- C. The full amount of the down payment must be applied to the purchase price and such down payment and closing costs claimed must be shown on the closing statement. An "RA-58- Instructions for Closing Attorney for a tenant" should be provided to detail the procedure at closing and eligible closing costs if any.
- D. An owner occupant of 90 days or more, prior to the initiation of negotiations for the acquisition of his property by Georgia Department of Transportation is eligible for a rent supplement as determined by market data. In the event the owner elects to purchase, he/she may receive the amount determined by Georgia Department of Transportation as eligible for a down payment in accordance with the "rent supplement and down payment section". The displacee does NOT qualify for down payment assistance if he/she was not eligible to receive a rental supplement payment amount.
- E. Less than 90 day occupant & Subsequent Occupant

The procedures previously discussed pertained only to those persons who were in occupancy of the dwelling for at least ninety (90) days prior to the initiation of negotiations for its purchase. The following instructions apply to those occupants who are in occupancy at the initiation of negotiations but who were not there for the required ninety (90) days or who move into a dwelling after the initiation of negotiations and remain in occupancy until Georgia Department of Transportation obtains legal title (see definitions) to the property. Payment, if any, will be made under the required provisions of "Last Resorts Housing":

1. General--Subsequent occupants are entitled to relocation assistance advisory services in assisting them to locate comparable replacement housing.

2. Rent supplement---as per guidance by Federal Highway Administration Final Rule in January 2005, and when comparable replacement housing is available, the rent supplement is calculated as noted above for residential tenants of at least 90 days.
- F. In the case of a displaced individual; renting only a “sleeping room” the basic provisions and of comparable housing will apply; and any replacement housing study will be based on the search for a comparable, decent, safe, and sanitary, rental sleeping room.
- G. A mobile home may be considered to meet the requirements for a replacement dwelling for a tenant- occupied dwelling if it meets the standards for decent, safe and sanitary housing.
- H. Disbursement of rental replacement housing payments---All rental assistance payments may be paid in a lump sum, unless the State Relocation Manager determines it is not in the best interest of the Department. The State Right of Way Relocation Manager may determine exceptions for this monthly rent supplement payment policy, if in the best interest of the Department (such as hardship relocation situations). Upon claim approval by the Department, the displacee is vested of the total amount immediately, in accordance with the Uniform Act, regardless of disbursement method; and whether or not there is any later change in the person’s income or rent, or in the condition or location of the person’s housing. For Local Public Agency (LPA) projects (with Department Right of Way oversight), the LPA will submit timely proper claim documents, to the Department’s assigned Relocation Specialist, who will issue a Local Government Relocation Payment Approval for the total eligible vested amount. The LPA should make every reasonable effort to treat all displacees and claimants fairly and equitably with regard to disbursement of Relocation Assistance payments.

### **11.15 Notice to Lending Agencies**

In cases where a displaced person qualifies for a replacement housing payment, except that he/she has not yet purchased or occupied a suitable replacement dwelling, the Georgia Department of Transportation, (after inspecting the proposed replacement dwelling and finding it meets the standards for a decent, safe and sanitary dwelling) shall state through the project’s Right of Way Acquisition Manager (with pre-approval of Relocation), to the eligible displacee, for any interested party, financial institution or lending agency, that the displaced person will be eligible for the payment of a specific sum provided he/she purchases and occupies the inspected dwelling within the time limits required.

### **11.16 Hardship Case – DS&S**

In cases of extreme hardship or other similar extenuating circumstance, exceptions to the decent, safe and sanitary characteristics of replacement housing may be permitted in

particular cases and the displaced individuals or family shall qualify for a payment. As requests for such exceptions must be made in writing to the Project's Right of Way Acquisition Manager and forwarded to the Right of Way Relocation Manager. The Right of Way Relocation Manager will seek any further necessary approvals and respond. Reference 23 CFR 710.503.

### **11.17 Replacement Housing- Not Decent, Safe & Sanitary**

It is strongly recommended that the displacees NOT purchase or rent non-decent, safe and sanitary housing since this will jeopardize their supplemental benefits. Owners or tenants who move into replacement housing that is not decent, safe and sanitary will not be eligible for supplementary payments unless they upgrade the housing to meet the state's standards of decent, safe and sanitary housing. The displaced person must be advised in writing what items are necessary to upgrade their replacement dwelling to become eligible for the supplementary payments.

### **11.18 Impartiality to Assistance Activities**

In assembling or issuing information on properties available for purchase or rent, employees shall avoid any action that would favor any one company. If experience indicates that any firm included in the listings, are not giving fair treatment to the relocatee/displacee; such firms will be removed from the listings provided to the displacee by the Georgia Department of Transportation.

### **11.19 Procedures for Payment of Relocation Benefits**

#### **A. Relocation Assistance Payments**

Checks for Relocation Assistance payments must only be requested by the Relocation Unit of Right of Way (as the approving subject matter expert). The documentation supporting the relocation assistance benefits should be sent to the Relocation Unit at the General Office for review and approval by the appropriate personnel.

Note: Forms ROW-RA-40 (Residential Moving Claim), ROW-RA-41 (Business, Farm, NPO, NRO moving claim form), ROW-RA-49 (Replacement Housing Owner Claim), ROW-RA-50(Replacement Housing Owner Last Resort ), ROW-RA-51(Rent Supplement Claim), ROW-RA-52(Rent Supplement Last Resort), provide for the signatures by District Acquisition Manager, Administrative Review Officer/Consultant Coordinator, or Local Government Right of Way Coordinator to help ensure oversight at the District level. The State Right of Way Relocation Manager may authorize these relocation payments in the absence of these signatures if deemed appropriate. The District ROW and related ROW Consultants must maintain copies of all payment documentation in their relocation negotiation files for these payments.

**B. Delivery of Payment Checks**

The person(s) who established the acquisition price (FMV) or the estimate/value of replacement housing payment shall NOT negotiate for the parcel nor deliver the payment to the displaced person(s). This is also applicable to situations where such payments and service are being administered by another Federal, State, Local agency under authority of a contract or agreement.

**C. Advanced Payments (Owner-Occupant)**

A replacement housing payment, including interest differential and closing costs, will be “advanced” and made available at the closing of the displaced owner(s) replacement dwelling with payment made payable to the displaced owner(s) and closing attorney, or the seller or contractor. Documentation required for this advance will be a sales contract, construction contract, a pre-closing statement, and new and old mortgage information, D S & S report, and appropriate claim form. This can be done only when proper documentation is provided in time for review and approval prior to closing (three weeks minimum recommended).

**D. Advance Payments (Tenant-Occupant)**

Replacement housing down payments assistance payments, including closing costs, will be “advanced” and made available at the closing of the displaced tenant(s) replacement dwelling and closing attorney with payment made payable to the displaced tenant and the closing attorney. This can be done only when proper documentation is provided in time for review and approval prior to closing (three weeks minimum recommended).

**E. Application for Supplemental Payments**

Application for replacement housing or rent supplemental payments must be in writing on a form provided by the Georgia Department of Transportation. The application must be filed within eighteen (18) months of the date of move or date of the final payment, whichever is later (as stated in the applicable section of the Uniform Relocation Assistance, and Real Property Acquisition Policies Act of 1970, as amended).

**F. No Duplication of Payments**

Any person shall receive any payments under the provisions of this manual that would have substantially the same purpose and effect as compensation, which the person receives under the State Law of eminent domain (which is part of the cost of a project).

**G. Timely Payments & Relocation Payment Approvals**

The Georgia Department of Transportation will review claims in a timely manner. The claimant(s) will be promptly notified as to any additional documentation that is needed to support the claim. Internally, "Relocation Payment Approvals" will be issued by authorized or assigned Relocation Benefits Specialists (under the general supervision of the Relocation Manager at the general office). The resulting Relocation Benefits Payments can be made through District Offices as allowed under GDOT Relocation Payment Approval Policies and Procedures (for GDOT acquired rights of way projects). Note that "Local Government Relocation Approvals" must be obtained from the authorized or assigned GDOT Relocation Benefits Specialist, by the Local Public Agency's approved relocation negotiator (local acquired rights of way projects). The primary purpose for the "Local Government Payment Approval" is to document compliance as the project progresses through the Right of Way phase. The request for a "Local Government Payment Approval" must be made (with submitted support documentation) by the Local Public Agency's designated, approved right of way relocation negotiator in a timely manner, as the project unfolds, for (and upon) each relocation benefits claim. The relocation payment approval policies and procedures are intended to facilitate oversight and compliance by GDOT and to provide for timely relocation benefits payments to affected displacees on GDOT rights of way projects.

#### **H. Advance Payments**

If a person demonstrates the need for an advance relocation payment in order to avoid or reduce a hardship, the Georgia Department of Transportation may issue the payment, subject to such safeguards as are appropriate to ensure that the objective of the payment is accomplished.

#### **I. Relocation Payments Not Considered as Income**

As noted in the Uniform Act, CFR 24.209, No relocation payment received by a displaced person(s) under this part shall be considered as income for the purpose of the Internal Revenue Code of 1954, which has been re-designated as the Internal Revenue Code of 1986 (Title 26, US 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 US Code 301 et seq.) or any other Federal Law, except for any Federal law providing low income housing assistance.

#### **J. Manner of Notices**

All notices of availability shall be personally served. If it is not possible to personally serve, it may be sent by certified mail, return receipt requested, and documented in the parcel file. A "Notice to Vacate" will be sent by certified mail, return receipt requested. Person(s) unable to read and understand written material will be provided with appropriate translation and counseling.

#### **K. Rent Security Agreements**

The policy concerning the rental of project parcels in order to keep improvements vacant for the purpose of saving Relocation Assistance related costs is described below.

Recommendations must be made by the project's Right of Way Acquisition Manager and submitted to the State Right of Way Relocation Assistance Manager's office prior to any commitment given to an owner to rent their property for the purpose mentioned above. Approvals will be granted by the State Right of Way Administrator for periods of no longer than three (3) months with the Georgia Department of Transportation having the option to renew at the same rate for additional one-month periods at its discretion.

Parcels where there is a security agreement in effect should be given the same top priority regarding acquisition as is given to parcels involving relocation. Generally, no security agreements will be approved for parcels where business relocation is involved. The higher rent required considered against the overall cost associated with a business relocation tends to render these type of security agreements to not be cost effective.

Notations should be made in the "comment section" of the T-Pro "Maintain ROW Parcel Relocation Status" screens. These notations should consist of the amount paid per month with the beginning and ending dates for each security agreement.

#### **L. Payments for Properties acquired through Condemnation**

If an acquisition payment to be made to an owner-occupant for a dwelling cannot be determined due to pending condemnation proceedings, a replacement housing payment can be made in advance of settlement of the FMV case provided section 11.28 is followed.

### **11.20 General - Replacement Housing Fees**

All closing and related fees incidental to the Purchase of Replacement Housing should be formally reviewed by the qualified Relocation Specialist, prior to commitment and closing by the purchaser/displacee (typically a good faith estimate is submitted).

### **11.21 Increased Interest and Closing Costs**

Increased mortgage interest payments are provided to compensate a displaced (90-day or more) owner occupant for the increased interest cost he/she is required to pay for financing a replacement dwelling. This payment will only be paid when the eligible displaced person(s) occupies a dwelling acquired by the Georgia Department of Transportation, and the dwelling was encumbered by a bona fide mortgage. The mortgage

must be a valid lien on the dwelling for not less than one hundred eighty (180) days prior to the initiation of negotiations.

### **11.22 Interest Rate of Replacement Dwelling Mortgage**

The interest rate on the mortgage for the replacement dwelling will be the actual rate but should not exceed the prevailing interest rate currently charged by mortgage lending institutions in the area the replacement dwelling is located.

### **11.23 Mortgage Financial Fees**

Purchaser's points, origination fees and mortgage insurance premiums are sometimes required to be paid by the purchaser. These charges are typically reimbursable and will be based on the unpaid balance on the acquired dwelling, less the amount determined for the reduction of such mortgage balance. These fees must be formally reviewed for eligibility by the assigned Relocation Specialist to the case or project.

### **11.24 Payment Computation – Increased Interest**

Payment(s) (when applicable) will be computed using the increased interest worksheet (Form ROW-MP-1)

Note: Need copy of mortgage on the acquired dwelling showing the interest rate and the term of the mortgage.

### **11.25 Amount of Closing Costs Payment**

The closing cost payment is the reasonable amount necessary to reimburse the displaced person(s) for the actual costs incurred by his incident to the purchase of a decent, safe and sanitary replacement dwelling, but NOT for pre-paid expenses, such costs may include the following items if normally paid by the buyer:

- A. Legal, closing and related costs including preparing conveyance instruments, title search, notary fees, surveys, and preparing drawings or plats and recording fees.

### **11.26 Lenders, FHA or VA Appraisal and Application Fees**

- A. Certification of structural soundness and termite inspection when required

### **11.27 Credit Report**

- A. Loan origination, discount points, assumption fees and mortgage intangible state tax fee (for an owner occupant, the payment will be prorated and limited to the amount of pay off on the acquired dwelling mortgage by the Georgia Department of Transportation.

- B. Escrow's agent fee
- C. Such other costs that the Georgia Department of Transportation determines to be incidental to the purchase
- D. Charges for state revenue, sales or transfer tax, and intangible tax will be limited to what would have been charged had the displaced person purchased housing for the cost determined by the Georgia Department of Transportation. It will be necessary to compute the percentage annually paid by the displaced person and apply this percentage to the cost of comparable housing determined by the Department.

### **11.28 Procedures for Advanced Replacement Housing Payment Due to Condemnation**

In the event a displaced owner requests an advance payment for replacement housing due to the final outcome of condemnation, the Georgia Department of Transportation's representative must explain the Department's requirements to him/her. The representative must be very careful to avoid any semblance of duress in forcing a displaced owner to sign these papers prior to a payment being made.

Forms ROW-C-1, ROW-C-2, and ROW-C-3 must be executed prior to payment being made. It is suggested that the preparation of these forms to be handled by the Georgia Department of Transportation's closing attorney as well as the filing of the recording fees. The Right of Way Acquisition Manager must advise the General Office, that this is being requested and the General Office will prepare the documents. Then the documents will then be returned to the district for signing and recording. (Send recorded copies back to the General Office). The deed and the promissory note must furnish a recorded deed of his replacement property so that these forms may be properly filled out.

No payment can be made prior to the expiration of the Right of Recession (Form Row-C-3). GDOT will seek the advice of its project attorney as to which method is best to "protect" its replacement housing payment, if it is to be advanced (See A or B below).

#### **A. Replacement Housing Payment (In Advance of Condemnation) "Lien Procedure"**

If an acquisition, payment to be made to an owner-occupant for a dwelling, cannot be determined due to pending condemnation proceedings involving the property, then, upon the request of the owner occupant, a replacement housing payment can be made under the following conditions. The maximum offer of the Georgia Department of Transportation for the property shall be deemed the acquisition payment and the payment computed and paid in accordance with this procedure. The owner-occupant shall agree that:

1. Upon final determination of the condemnation proceedings, the replacement housing payment will be re-computed using the acquisition price determined by the Court as compared to the price required to acquire a decent, safe and sanitary dwelling; and
2. If the amount awarded in the condemnation proceedings as the fair market value of the property acquired plus the amount of the provisional Replacement – housing payment exceeds the lesser of the price paid for or the Georgia Department of Transportation cost of a comparable dwelling; he/she the displacee) will refund to the Department, from his judgment, an amount equal to the amount of excess. However, in no event, shall he be required to refund more than the amount of the replacement housing payment advanced.
3. If the property owner does not agree to such adjustment, the replacement housing payment shall be deferred until the case is finally adjudicated and computed based on the final determination, using the award as the acquisition price. (See condemnation procedures). After final adjudication (the act of a court in making an order, judgment or decree) occurs, Form C-4 will be completed and written notice of any change in the replacement housing payment will be given by the General Office of Georgia Department of Transportation to the displaced owner with instructions to repay any excess within thirty (30) days of the date upon which the final adjudication award was paid into court, or within thirty (30) days of our notifying him/her of the amount of refund, whichever is later.

SUMMARY: As you will note by reading the “deed to secure debt” form, Georgia Department of Transportation will treat the original relocation payment as an advance with the stipulation that any amount due upon final; adjudication of the condemnation proceedings will be retained by the grantor (one that conveys property or a right in property by deed). The Security deed will pass title until the debt is paid and will give Georgia Department of Transportation the power to sell the property and collect any over payment if the grantor refuses to upon the due date. By utilizing the deed to secure debt method, Georgia Department of Transportation will be able to avoid the costly litigation (To contest in legal proceedings) for collection of any over payment.

**B. Replacement Housing Payment (In Advance of Condemnation): “Agreement or Motion to Protect replacement housing payment” Procedure - (must be recommended by Project Attorney)**

Once the relocation specialist is notified by the right of way negotiator that the displacee wants to claim his/her replacement housing payment in advance of condemnation, the following procedures apply:

1. Notation of intent should be entered into the file log and T-Pro relocation status report comments.

2. Notification in writing should be sent to the project attorney, copying the court coordinator, negotiator and right of way acquisition manager.
3. Project attorney will seek written agreement with opposing counsel for “Agreement to Adjust Replacement Housing Payment” upon settlement outcome; or seek “Motion to Protect Replacement Housing Payment” if appeal of fair market value is sought by displacee. The court coordinator will follow case progress and forward relevant documentation to State Right of Way Relocation Manager and Relocation Specialist.

### 11.29 Computations Involving Condemnation

- A. When final adjudication occurs, new and increased values normally will represent the acquisition price of the property acquired. This necessitates an adjustment in the amount of the replacement housing payment. The method for making this adjustment is described as follows:

Whole or Partial Acquisition:

Under normal circumstances, re-computation would be simply substituting the award for the estimated acquisition price or the new payment base would be equal to the award (In most typical lot acquisitions)

- B. If the dwelling is located on a larger than typical lot, (urban or rural) then the carved out value or payment base will provide the figure to be used in the following formula:

New Payment Base = (payment base) (award)  
(acquisition)

Example:

Suppose a partial acquisition (10 acres of a 30-acre tract with a dwelling/\$14,000 and it is a typical lot (1 acre) symmetrically placed falling entirely within the acquisition area). Land is valued at \$1000 per acre. In the appraisal, no particular value is added for the home site. Acquisition price is \$24,000.00. Final adjudication (award) is for \$32,000.00

Payment Base is: 1acre @	\$1,000
Dwelling@	<u>\$14,000</u>
Total Pymt Base	\$15,000

New Payment Base = (\$15,000) times  $\frac{(\$320,000)}{(\$240,000)} = \$20,000$

If in the above example, symmetrical placement of the typical lot produces a situation in which ½ acres is within the acquisition area and ½ is NOT, then the payment base is as follows:

Payment Base: ½ acre@ \$1000 =	\$500
Dwelling =	<u>\$14000</u>
Total Base =	\$14500

$$\text{New Pmt Base} = (\$14,500) \text{ times } \frac{(\$320,000)}{(\$240,000)} = \$19,335$$

This stated formula is also applicable to the situation related to a typical improved residential property or a dwelling on land with a higher & better use.

### **11.30 Incidental Expenses on Transfer of Real Property to the Department**

#### **A. General**

The owners of real property acquired for a State/Federal-Aid highway project will be enlisted to receive payments for the reasonable and necessary expenses incurred in transferring such property to Georgia Department of Transportation. Items eligible for reimbursement are:

- Recording and/or cancellation fees and similar expenses incidental to the conveyance of each property.
- Penalty costs for prepayment for any deed of trust or mortgage entered into on good faith encumbering such real property if such instrument is on record or has been filed for record under applicable State Law.
- Attorney's fees in the case of estates or where minor children are involved
- The prorate portion of real property taxes from the date of acquisition. (Based on county or city tax evaluation in effect.) The pro-rata portion of real property taxes on partial takes will be on the percentage of Right of Way acquired. (G.O.)
- Reimbursement of survey fees for the reestablishment of existing corner pins (G.O.).

#### **B. Procedures**

1. Notify property owner of eligibility

2. Claims will be paid in regard to condemnations but the owner must secure the proper documentation to support his claim filed with the Georgia Department of Transportation. The following items or other documentation is needed:
  - Letter from the County or the City tax office showing taxes paid on the State acquired property.
  - Letter from his or her lending institution showing the charges for prepayment of the mortgage.
  - A copy of the receipt showing the paid survey bill for corner pins reestablishment
  - A copy of the Incidental Payments Availability Letter given upon owner contact

**C. Time Limit**

Claims must be filed within the eighteen (18) months from the date of acquisition except the survey fees, which must be filed within the six (6) months after construction on the project is completed.

**D. Appeals**

Relocation payments and expenses incident property title to the Georgia Department of Transportation are eligible for appeal in accordance with the following procedures:

1. Any person eligible for benefits under the provisions of this manual has the right to appeal within twelve (12) months of the date they receive written notification of the Georgia Department of Transportation's determination of eligibility or amounts of payments. This includes denial of all or part of a payment claimed or the Department's refusal to consider the claim on its merits because of untimely filing or other grounds.
2. All appeals should be submitted in writing to the State Right of Way Administrator of the Georgia Department of Transportation. The appeal should clearly state the basis for appeal. The State Right of Way Administrator, or their authorized designee, will review all matters related to the appeal and provide a written response to the appellant (the party who submitted the appeal). If the appeal concerns replacement-housing payments, it may be necessary to prepare an additional replacement housing supplemental appraisal, as of the date of the appeal. If the relocatee has moved, the appraisal will be as of the date the replacement housing was obtained, or the date the acquired property was vacated, whichever is earlier.

### **11.31 Manufactured Housing as Replacement Dwellings**

Manufactured Homes (Reference 49 CFR 24.501) are generally considered real estate for purposes of the Relocation Assistance Program. In most cases, the review appraiser will establish the fair market value of the manufactured home, which is used to acquire the manufactured home property. Residential occupants (owners and tenants) are interviewed and offered relocation assistance the same as outlined previously for single-family residential displacees.

Manufactured Homes (Reference 49 CFR 24.501) are generally considered real estate for purposes of the Relocation Assistance Program. In most cases, the review appraiser will establish the fair market value of the manufactured home, which is used to acquire the manufactured home property. Residential occupants (owners and tenants) are interviewed and offered relocation assistance the same as outlined previously for single-family residential displacees.

Transfer of ownership of a mobile (or manufactured) home in Georgia requires a Georgia Department of Revenue Form MV-1 to be submitted to the applicable county tag office, along with a bill of sale and the title to the mobile home. The correct way to deal with a situation in which title to the mobile home cannot be found is for the seller to obtain a bonded title. Essentially, using the VIN on the mobile home, the seller would procure a bond from an insurance company securing the title. With that bond, the State will issue a bonded title that can then be used in a transaction (i.e. a replacement dwelling sale to a displacee).

Therefore, the Right of Way Specialist handling the replacement closing should require and obtain from the seller a mobile (or manufactured) home title at closing. A copy of the title should be kept in the relocation negotiation file and a copy forwarded to the Relocation Benefits Specialist after closing. If the title cannot be found, a bonded title should be obtained prior to closing at seller's expense. If the seller is not willing to obtain a bonded title, the dwelling is not be eligible for replacement housing benefits participation (unless the ROW Administrator authorizes as Last Resort).

Exceptions to the title requirements above include mobile home or manufactured homes for which the title has been legally retired or formally canceled to real property. The mobile home must first be deemed "affixed permanently" on land that is owned (not rented) and a T-234 "Certificate of Permanent Location" filed by the owner in the County records where the mobile home is located. Also, the deed must be recorded in a certain deed book and page in the County's real estate records. Right of Way relocation negotiators should verify these records if a replacement mobile home (m.h.) is elected for which there is no title to be transferred at closing. Same for acquisitions, check the deed. If assistance is needed, such as verifying the "mobile home title has been canceled to real estate", the ROW Project Manager (or designee) should contact the assigned GDOT Project attorney.

Since there are concerns/risks associated with the purchase of manufactured home replacement dwellings the Right of Way Specialist should attempt to provide relocation

advisory assistance to displacees to help reduce risks associated with ownership transfer, and to protect the Georgia Department of Transportation's interest in, and intent for replacement housing payment or replacement down payment benefits.

A. Will the seller be able to present the appropriate evidence of ownership, title or deed, at closing on the replacement property; and can the seller grant marketable title?

1. The Right of Way Specialist assigned to administer the relocation assistance should follow the below nonexclusive guidelines to help reduce the risks of ownership transfer associated with manufactured homes.
2. Notify the closing attorney selected to handle the replacement property's closing that there is a manufactured home on the property (which may not be shown on the deed).
3. Determine if the manufactured home has been converted to Real Estate.
4. Make all parties aware that the Seller must be able to present the title at closing (and able to grant marketable title).
5. If the manufactured home has not been converted to Real Estate, and the seller is not able to locate their title, one can check with the tax commissioner in the county where the manufactured home is located for assistance in determining the registered owner with the State Department of Revenue (VIN# associated with the listed owner). The Seller/owner will need to apply for a replacement title or obtain bonded title prior to any closing if relocation benefits are to be claimed.

B. If there are any outstanding taxes remaining unpaid at closing

The Right of Way Specialist assigned to administer the relocation assistance should notify both parties regarding property taxes at closing. The following should be addressed:

1. If the manufactured home is not converted to real estate; it is likely taxed as personalty in the County Tax Commissioner's Office. In this case, since the taxes are paid for a given tax year (usually begins January 1) a decal is issued to the registered title owner.
2. If the manufactured home has been converted to real estate, then the property is likely taxed as realty in the County Tax Commissioner Office. The Right of Way Specialist should require the closing attorney to check for any unpaid, back taxes owed on the property. The Right of Way Specialist should also advise the displacee that the seller is usually responsible for any back taxes and the current year tax liability is typically pro-rated by date of closing.

- C. The following section applies when the Georgia Department of Transportation treats the relocation of manufactured homes as personalty. The actual cost (Method “B”) or receipted bills (Method “C”) will include the reasonable cost of disassembling, moving and reassembling any attached appurtenances (such as porches, decks, skirting and awnings) which are not acquired in the transaction. Anchoring of the unit and utility “hook up” charges are also reimbursable.
- D. If the manufactured home is NOT acquired but the owner obtains a replacement housing payment under the circumstances described in the replacement housing section of this Manual entitled Manufactured Homes, the owner is NOT eligible for payment of moving expenses for moving the mobile home.
- E. If a manufactured home requires repairs or modifications to make it decent, safe and sanitary, to enable it to be moved to a G. site, and the Georgia Department of Transportation determines that it is practical to do so; payment shall be limited to the reasonable costs of moving the manufactured home and making such repairs or modifications.
- F. Manufactured Home (Mobile Homes) Park Entrance Fee- Non-returnable entrance fees are reimbursable as part of actual cost (Method “B”) or receipted bills (Method “C”) expenses unless the Georgia Department of Transportation determines that comparable manufactured homes (mobile homes) park are available which do not require entrance fees.

### **11.32 Replacement Housing for Manufactured Homes (General)**

#### **A. Persons with an Ownership & Tenant Interest**

A displaced manufactured home occupant may have owned the displacement manufactured home and rented the site or may have rented the displacement manufactured home and owned the site. In such cases, the total replacement housing payment shall consist of a payment for a dwelling and a payment for the site. However, once the total replacement housing payment or rent supplement exceeds the maximum payment of \$31,000.00 or \$7,200.00, the provisions of “Last Resort Housing” will be implemented.

#### **B. Cost of Comparable Replacement Dwelling/Manufactured Homes**

1. When computing the amount of a replacement housing payment for a person displaced from a manufactured home, the cost of a comparable replacement dwelling is the reasonable cost of a comparable replacement manufactured home or a conventional home.
2. If the Georgia Department of Transportation determines that it would be practical to relocate the manufactured home, but the owner does NOT elect to do

so, the Department may determine that the cost of a comparable dwelling is the sum of:

- The value of the manufactured home
- The costs of any necessary repairs or modifications
- The estimated cost of moving the manufactured home to a replacement site

**C. Person moves Manufactured Home**

If the owner is reimbursed for the cost of moving the manufactured home, he or she is NOT eligible to receive a replacement housing payment to assist in purchasing or renting a replacement manufactured home. However, the person may, be eligible for assistance in purchasing or renting a replacement site.

**D. Partial Acquisition of Manufactured Home Park**

Where the Georgia Department of Transportation determines that a sufficient portion of a mobile home park is taken to justify the operator of such park to move his business or go out of business and the operator does, in fact move his business or go out of business; the owners and occupants of the mobile home park not within the actual taking, but who are forced to move would be eligible to receive the same payments as though their mobile homes were within the actual taking.

**E. Replacement Housing Payment for Manufactured Home 90 Days Occupants**

When the manufactured home is not actually acquired, the acquisition cost of the manufactured home used for determining the replacement housing payment, will include the salvage value or trade-in value of the manufactured home, whichever is higher.

1. The person both owned the displacement manufactured home and occupied it on the displacement site for at least 90 days immediately prior to initiation of negotiations
2. The person meets the other basic eligibility requirements
3. The Georgia Department of Transportation acquires the manufactured home as real property, or the manufactured home is NOT acquired by the Georgia Department of Transportation but the owner is displaced because the Department determines that the manufactured homes:
  - Is not and cannot economically be made decent safe and sanitary
  - Cannot be relocated without substantial damage or unreasonable cost

- Cannot be moved because there is no available comparable replacement site
- Cannot be moved because it does not meet mobile homes park entrance requirements

**F. Replacement Housing Payments for Manufactured Homes/90 day Occupants**

A displaced tenant or owner-occupant of a manufactured home is eligible for a replacement housing payment if:

1. The person actually occupies the displacement manufactured home on the displacement site for at least 90 days immediately prior to the initiation of negotiations
2. The person meets the basic eligibility requirements
3. The Georgia Department of Transportation acquired the manufactured homes as real property, or the manufactured home is NOT acquired by the Department but the owner or tenant is displaced because of other valid reasons determined by the Department.

**G. Occupant of Less than 90 Days (Subsequent Occupant)**

If a displaced occupant is less than 90 days occupancy prior to the initiation of negotiations, then a “Rent supplement “ will be calculated regardless of the fact that the displaced person is an owner or tenant. Note that the rent supplement can be applied as a down payment in purchasing replacement housing if the displaced person elects to purchase replacement housing.

**11.33 Replacement Housing Studies**

**A. Appraisal Contents**

Forms ROW-RA-43 (Supplemental Appraisal Check –Chart- List), ROW-RA-44 (Subject Residential Owner or Tenant Displacee), ROW-RA-45(Comparable Housing Analysis), ROW-RA-46(Determination of Replacement Housing Payment), ROW-RA-47 (Determination of Rent Supplement, ROW-RA-47A (Back up Calculation of Rent Supplement) will be prepared on the findings of personal interview and field research. The appraisal will be prepared on an individual or family basis. These appraisals must be prepared prior to negotiations for improved residential parcels. It will be the General Office responsibility to prepare the estimates with enough lead-time so they may be processed for release so that the owners and tenants will be contacted in accordance with “Time of Contact” as required by this manual.

Each supplemental appraisal will contain the following forms in the order they are listed:

1. Photograph of subject property
2. House sketch of subject property
3. ROW-RA-43- Supplemental Housing Appraisal Checklist (Chart)
4. ROW-RA-44- Residential Relocation displace form-describing the displacee(s)' family criteria, economic characteristics, and subject property description based on the acquisition team's interview.
5. ROW-RA-45's- Utilizing three (3) selected comparables (when feasible), being original forms with photographs of available units on the market at the time of preparation of estimates. In case of "Cost New" construction of replacement housing, a ROW-RA- 45 is required with a "Contract" or "Bid" proposal for documentation purposes.
6. (Owner Determination of Benefits) or ROW-RA-47/47A (Determination of Tenant Benefits) whichever is applicable
7. Replacement Housing Analysis (narrative analysis)
8. Right of Way Form "R/W 532" – Right of Way Appraisal Reviewer's Analysis of appraisal submitted and determination of fair market value of the parcel
9. Consolidated list of available housing selected and considered to determine the Replacement Housing Payments or Rent Supplemental Payments (depending on which is being prepared)
10. Map showing location of subject displacees and comparables used to determine findings

**B. Actual or Economic Rent**

Actual rent should be used routinely and fair market rent should be reserved for use in those instances where there has not been an "arms length transaction" in the establishment of the actual rent. The appraisal reviewer will determine this in his analysis of the fair market value of the parcel.

**C. Square Footage**

All dwellings, both subjects and comparables will be broken down into square footage by the following definitions

1. Total square footage will be that area of the dwelling including attached garages, or carports, utility rooms, porches,
2. Net square footage will be all the heated area of the house excluding garages, utility rooms, decks and porches.

**D. Correspondence**

All correspondence to owners or tenants, that cannot be hand delivered, must be mailed certified with return receipt requested. All correspondence that is hand delivered will be certified as to the date delivered.

**E. Listing**

It is required that a list of available comparable housing be furnished at the initiations of negotiation, and with a "Notice to Vacate if replacement housing has been obtained. All supplemental Appraisals will be updated in cases where the lists of available comparable housing within the range of monies previously offered cannot be attach to the notice. In the event, the Notice to Vacate will be withheld until an updated estimate is prepared, reviewed and re-tabulated. The revised payment will be forwarded in writing with the "Notice to Vacate". (See list attached)

**11.34 Last Resort Replacement Housing**

**A. Replacement Housing of Last Resort Housing for Persons Displaced by State/Federal-Aid Highway Projects.**

1. Legal Authority OCGA 32-8-2 & 32-8-5

The Georgia Department of Transportation shall have the authority as a "Last Resort", to provide replacement housing when a State/Federal-Aid Highway project financed in whole or part with federal-aid cannot proceed to actual construction because no comparable replacement for sale or for rent housing is available. In carrying out the "Relocation Assistance" activities, the Georgia Department of Transportation shall be authorized to make payments, construct or reconstruct with its own forces, cause to be constructed or re-constructed, and purchase by deed or condemnation any real property for the purpose of providing replacement housing. The Department may exchange, lease or sell to the displaced person such replacement housing. Whenever any real property has been acquired under the provisions of this subsection and thereafter the Department determines that all or any part of said property or any interest therein is no longer needed for such purposes because of changed conditions, The Department is hereby authorized to dispose of such property or interest therein in accordance with the provisions of Section OCGA 32-7-3.

**B. General**

## 1. Rights of the Displaced Person

The provisions of this section do not deprive any displaced person of his rights to receive relocation assistance, moving costs or replacement housing payments for which he may be otherwise eligible nor of his freedom of choice in the selection of replacement housing. The Department may not require a displaced person, without his written consent, to accept a dwelling provided by the Department under these procedures in lieu of his acquisition payment, if any, for the real property from which he or she is displaced or the replacement housing or rent supplement payment for which he may be eligible. However, the Georgia Department of Transportation's obligation of providing comparable replacement housing will have been discharged when comparable replacement housing has been made available to the displaced person. If the displacee does not accept the comparable replacement housing provided by the Department but obtains and occupies other decent, safe and sanitary housing, the replacement housing payment shall be the amount necessary to provide comparable replacement housing or the amount actually incurred by the displacee for decent, safe and sanitary housing, whichever is the lesser.

## 2. Displacee Rights Continued

The provisions of this section do not deprive any displaced person of his rights to receive relocation assistance, moving costs or replacement housing payments for which he may not require a displaced person, without his written consent, to accept a dwelling provided by the Georgia Department of Transportation under these procedures in lieu of his acquisition payment, if any, for the real property from which the is displaced or the replacement housing or rent supplement payment for which he may be eligible.

- The provision is not applicable to an owner- occupant who voluntarily acts to sell his property to the State for last resort housing
- The owner-occupant so certifies in a statement maintained in the Georgia Department of Transportation's files

## C. Civil Rights

The selection of prime contractors and subcontractors shall be made by the Georgia Department of Transportation on a nondiscriminatory basis and in accordance with the requirements Title VI of the Civil Rights Acts of 1964, Executive Orders 11246, and 11625

## 11.35 Applicability of Last Resort Housing

### A. Use of Last Resort Housing

Last Resort Housing may be provided when:

1. State/Federal-Aid projects on the State or National Highway system cannot proceed to right of way acquisition or construction, and
2. Comparable replacement housing is not available for the displaced person, or
3. Comparable replacement housing is not available within the displaced person's financial means, or it is available for the displaced persons within his/her financial means but it exceeds the \$31,000 owner Last Resort limit or the \$7,200 tenant Last Resort Limit
4. Methods of utilizing Last Resort Housing Procedures
  - Utilization of available housing for rent or for sale and making supplementary payments in excess of \$7,200 for residential tenant occupants in 42 monthly payments or making supplementary payments in excess of \$31,000 for residential owner occupants
  - Purchasing existing housing available for sale and renting to the displacees at a rental amount comparable to their existing rent
  - Purchasing existing housing available for sale and deeding it to the displacee
  - Moving the existing structure onto remaining land or other lots in the area
  - Constructing new housing on vacant lots in the area and relocating the displacees into them

#### **B. Direct Payments for Last Resort Housing**

No payments will be paid directly to the displacee, except in those instances where the Georgia Department of Transportation, in its judgment, considers a direct payment to be prudent and feasible action and in the public interest, (prior approval of the General Office must be secured). Whenever a direct payment is made to a displacee, the file will be documented with the reasons therefore.

#### **C. Ownership or Tenant Status**

It is the responsibility of the Georgia Department of Transportation when using "Last Resort Housing" which is issuing a replacement housing payment for an owner residential occupant for over \$31,000 or issuing a rent supplement either as a down payment or in forty two (42) monthly supplements for a residential tenant occupant for over \$7,200; to provide a replacement dwelling which places the displacee in the same ownership or tenancy status as he/she had prior to the displacement. At the

request of the displacee, the Department may provide the displacee a dwelling, which changes the ownership or tenancy status of the dwelling if such a dwelling is available, and can be provided more economically.

#### **D. Eligible Cost for Last Resort Housing**

Reasonable costs incurred by the Department in providing Last Resort Housing may include but are not limited to (The items listed below must be pre-approved by the State Right of Way Relocation Manager):

1. Payments in excess of statutory limits (\$31,000 for residential owner's occupants or \$7,200 for residential tenant occupants) Check the Federal Highway Administration's web site on an annual basis because these figures could change due to amendments to the Uniform Relocation Assistance and Real Property Acquisition Policies Act
2. The acquisition price of land and/or dwellings and costs incidental thereto
3. Moving houses
4. Site development
5. Architect and engineer's fees and legal fees and expenses
6. Landscaping
7. Rehabilitation of and/or additions to an existing replacement dwelling
8. Construction of New Replacement Housing
  - Other expenditures necessary to produce dwelling units which are compatible with other dwellings in the neighborhood in which they are constructed and acceptable to the general real estate market
  - Any direct cost of providing Last Resort Housing incurred by the Georgia Department of Transportation

### **11.36 Relocation Records & Reports**

#### **A, General**

It will be the Georgia Department of Transportation's responsibility to maintain relocation records showing the following:

1. All correspondence and forms will be dated.

2. All forms will be dated upon being forwarded to the district (as long it is a relocation assistance benefits claim that is under \$75,000- Note: This does not include incidental payments such as prorated property taxes, reestablishing corner pins and survey) or to the General Office if it exceeds \$75,000.
3. Must have Georgia Department of Transportation 's project number, Project inventory number (P.I.#), and parcel number
4. Names and addresses of displaced person(s) and their complete original and new address and telephone numbers (if available after reasonable effort to obtain where displacee moved without assistance)
5. Personal contact made by the assigned acquisition agent made with each relocated person
  - Date of Notification of Availability of Relocation Assistance Payments and services
  - Name of the Department Georgia Department of Transportation's representative making offer to the displacee(s)
  - Whether or not the offer of assistance in locating or obtaining replacement housing was declined or accepted and the name of the individual accepting or declining the offer
  - Dates and substance of follow-up contacts
  - Date on which the displacee/relocatee is required to move from the property acquired for the project
  - Date on which the actual relocation occurred and whether the relocation was accomplished with the assistance of the Department referral to other agencies, or without assistance, If the letter , an approximate date for actual relocation is acceptable,
  - Type of tenure before and after relocation
6. Information Needed from different types of Displacements
7. Residential displacements from a dwelling
  - Number in family,: age, sex and occupation/ or education status(if under eighteen (18) )and relationship
  - Type of property ( single family dwelling, multi -family/ apartments/condos, mobile home )

- Value or monthly rent. If tenant occupied/ need average monthly utilities.
  - Room count occupied and type of rooms ( example: 6 rooms /3bedrooms/2baths) If the displaced dwelling has a basement/ need to know if it is finished or unfinished and heated/cooled.
8. Displaced business(es)
- Type of business
  - Whether continued or terminated
  - If relocated, distance moved (estimate is acceptable)
9. Displaced farm(s)
- Type of farm
  - Whether continued or terminated
  - If relocated, distance moved (estimate is acceptable)

**B. Moving Expense Records**

Maintain records containing the following information regarding moving expense payments:

1. The date the removal of personal property was accomplished
2. The location from which and to which the personal property was moved
3. If the personal property was stored temporarily, the location where the property was stored, the duration of such storage, and justification for the storage and the storage expense.
4. Itemized statement of the costs incurred supported by receipted bills or other evidence of expenses such as:
  - Amounts paid for truck and/or equipment hired
  - If vehicles are used, a reasonable amount to cover gas and oil, and the cost of insurance and depreciation directly allocable hours and/or days the equipment is used for the move

- Wages paid for labor based on the actual hours worked not to exceed the hourly rate paid by commercial movers on the locality for each profession or craft involved
  - If a business purposes to use regular employees of the business to provide supervisory services in connection with the move, the amount of their wages covering time spent in actual supervision of the move
5. Amount of reimbursement claimed, amount allowed, and an explanation of any difference
  6. Data supporting any determination that a business cannot be relocated without a substantial loss of its patronage and that it is not part of a commercial enterprise having at least one other establishment not being acquired by the Georgia Department of Transportation
  7. When an “In lieu of” payment/ Method “C” is made to a business or farm operation, data showing how the payment was computed

**C. Replacement Housing Records**

Maintain records containing the following information regarding replacement-housing payments

1. The date on which each payment was made or the application was rejected
2. Supporting data explaining how the amount of the supplemental payment to which the applicant is entitled, was calculated
3. A copy of the sales contract and closing statement to support the purchase or down payment and closing costs expenses when replacement housing is purchased
4. Data including computations to support the increased payment
5. The individual responsible for determining the amount of the replacement housing payment shall place in the file, a signed and dated statement setting forth:
  - The amount of the replacement housing payments
  - His/her understanding that the determined amount is to be used in connection with a State/Federal-Aid project

- That he/she has no direct or indirect present or contemplated personal interest in this transaction nor will derive any benefit from the replacement housing payment
6. A statement by the Georgia Department of Transportation's representative that, in its opinion the relocated person has been relocated into adequate replacement housing. If a displacee does not relocate into decent, safe and sanitary housing, the file will reflect the circumstances.

#### **D. Federal Highway Administration Reports**

1. The Georgia Department of Transportation will submit a report of its real property acquisition and displacement activities. This report will be prepared by the General Office each year and submitted to Federal Highway Administration. The annual period will begin with the report for the period covering from October 1 to September 30 (example: October 1, 2008 till September 30, 2009).
2. Monthly status reports should be prepared by the Acquisition Manager in the Districts and submitted to the General Office for all projects involving relocation assistance.

#### **E. Maintenance of Files**

Comprehensive files must be maintained giving the case history of each parcel. These records should reflect dates and numbers of units, whether or not the occupant requested assistance in finding replacement housing, the type and extent of assistance furnished, and if any agency that participated in the assistance and where the occupant was relocated.

#### **F. The Relocation Status/Activities Report**

This report will be maintained for each parcel or occupant file with all the dates and the type of assistance given. When improvements are occupied by more than one family unit, this information will be shown for each eligible person as a separate unit.

#### **G. Documentation for Payment of Reimbursable Relocation Expenses**

Claims must be supported by copies of invoices, estimates, paid receipts, contacts and/or proposals, which contain detailed breakdowns of associated cost and must be under a company letterhead accompanied by a company representative's signature. The documentation must be verified and initialed by the Acquisition Agent assigned to administer the subject Relocation Assistance Benefits. These payments are re-imburements, the documentation should be marked paid and the Acquisition Agent must verify the associated expenses that have been incurred.

### **11.37 Quality Assurance, Audits & Training**

In 2009, the Georgia Department of Transportation committed to quality assurance reviews to assess compliance with State and Federal Regulations. The goal of these reviews is to identify the strengths in our program as well as areas in which improvement should be made to assure compliance.

As a part of quality assurance, reviews or internal audits will be conducted regularly. There will be three (3) areas in which Relocation will participate in audits:

- A. Relocation Negotiation File Audits**
- B. Local Government Relocation Negotiation File Audits**
- C. Relocation Benefits File Audits**

The quality assurance reviews will result with the necessary (1) Participant feedback and recommendations, (2) Leadership discussions, and (3) Relocation training that incorporates feedback.

The overall process for the above quality assurance reviews, audits and training, it is critical that policies and procedures be established that provide checks and balances in the administration of the Relocation Assistance Program. For example, one important policy or procedure provides that the relocation specialist who establishes the relocation benefits be independent from the negotiator of those relocation benefits. Another provides for the separation of the relocation benefits payment approval function from the relocation negotiation function in order to better maintain standards. Organizational structure provides some key safe guards for program integrity. For example, District Right of Way Teams negotiate and administer relocation assistance and benefits to displacees; while Relocation Specialist staff (at General Office) establish relocation benefits, provide relocation benefit payment approvals, and offer guidance support on compliance issues based on the Uniform Relocation Assistance, and Real Property Acquisition Policies Act of 1970, as amended. There are also important business practices within the Relocation Specialist Section (at the General Office) which provide checks and balances for the establishment of benefits under the Program. These include underwriting standards, documentation standards, package review and approval procedures. Finally, Georgia Department of Transportation is committed to maintaining an adequately trained staff to meet the requirements of the Department has federally funded Relocation Assistance Program. It is our goal to provide a system of quality control assurance that promotes fairness and confidence in the Program as was intended under the Uniform Relocation Assistance, and Real Property Acquisition Policies Act of 1970, as amended.

**Policies and Procedures of the Department in this chapter may be waived, altered, or modified at any time and at the full discretion of the Department and FHWA as necessary to accomplish the overall goals and objectives of the Department and FHWA, and as long as any waivers, alterations, and modifications of said policies and procedures are not in direct violation or contradiction with state and federal codes, of which will rule over any recommended waivers, alterations, or modifications.**