

# RELOCATION ASSISTANCE

**YOUR RIGHTS AND BENEFITS**

September, 2012



For requesting accessibility needs, interpretive services or obtaining documents in an alternative format, contact the Agency sponsoring the project directly.

For MnDOT projects, to request this document in an alternative format, call:

MnDOT's Disability Programs Coordinator  
651-366-4718 (Metro), or  
1-800-657-3774 (Greater Minnesota)  
*(Please request one week in advance.)*

For assistance in placing your call  
TTY, Voice, ASCII, or Hearing Carry Over  
Dial 711 -or- 1-800-627-3529  
*(Minnesota Relay)*

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THIS BOOKLET IS PRINTED FOR USE BY THE  
MINNESOTA DEPARTMENT OF TRANSPORTATION

The contents, however, are generic and may be used to assist other agencies in their programs.

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## **STATEMENT OF POLICY**

It is the policy of the Minnesota Department of Transportation (MnDOT) that:

1. The services and payments described herein shall be provided to all displaced persons within the limits of the laws and administrative procedures established by MnDOT.
2. No person shall be displaced from a dwelling by its construction projects unless and until adequate replacement housing has been provided for or made available to them, regardless of their race, color, religion, sex or national origin.
3. To the greatest extent practicable, no person lawfully occupying real property shall be required to move from their dwelling or to move their business, farm operation or non-profit organization without written notice at least 90 days prior to the date such move is required.

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Prepared by:  
Minnesota Department of Transportation  
Office of Land Management  
Relocation Unit  
2012 MMM

# Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970

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## DECLARATION OF POLICY

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

## INTENT OF THIS BOOKLET

The relocation laws and regulations are quite complex. This booklet is not meant to discuss in detail the law and its procedures. It is meant to give an overview of the Federal and State program. Please discuss all aspects of your proposed relocation with your displacing Agency representative to ensure your eligibility and prompt reimbursement of claims. Always contact your Relocation Advisor before you move or finalize your plans.



# INTRODUCTION

Having to move from your residence or place of business can be a significant interruption in your life. The State of Minnesota recognizes the inconvenient and sometimes traumatic nature of being displaced by a public improvement project. We are committed to do our utmost to make the situation as simple, straightforward and trouble-free as possible.

If you are required to move as a result of a project, you will be contacted by a Relocation Advisor. The Advisor will explain the relocation program to you, will answer your specific questions, and will help you draw up your personal relocation plans. Your Advisor will also personally work with you to make your transition, and your move, go as smoothly as possible.

The purpose of this booklet is to assist in your relocation efforts by briefly explaining the benefits to which you may be entitled. You will have questions. The law is complex and there are certain procedures that must be followed.

Your Relocation Advisor will guide you through the procedures and help you receive all benefits to which you are entitled.

If you do not have the name and phone number of your Advisor, please contact the Agency that is handling the project. For MnDOT projects you may call the Office of Land Management at 651-366-5000, open daily from 8:00 a.m. to 4:30 p.m.

If at any time you feel that any act or work of any Agency personnel has been discriminatory in relation to age, color, race, religion, sex, marital status, or national origin, please contact the State Office of Equal Employment Opportunities/Contract Management Director at 651-366-3043. If that does not resolve your complaint to your satisfaction, you may appeal to the Minnesota Department of Human Rights.

## Important Definitions

### **Acquiring Agency**

An Agency having the authority to acquire property by eminent domain (condemnation).

### **Alien Not Lawfully Present**

If a displaced person is an alien not lawfully present in the United States, such person shall not be eligible for relocation payments or assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to the alien's spouse, parent or child, and such spouse, parent or child is a citizen or an alien lawfully admitted for permanent residence.

### **Business**

Any lawful activity, with the exception of a farm operation, that is conducted: primarily for the purchase, sale, lease, or rental of personal and/or real property; or for the manufacture, processing, or marketing of products, commodities, or any other personal property; or for the sale of services to the public; or for outdoor advertising display purposes when the display must be moved as a result of a project; or by a nonprofit organization that has established its nonprofit status under applicable Federal or State law.

### **Displaced Person**

A person (individual, partnership, corporation, or association) who moves from the real property or moves his/her personal property from the real property as a direct result of the acquisition of the real property, in whole or in part, or as the result of a written notice from the Agency to vacate the real property needed for a project. In

the case of a partial acquisition, the Agency shall determine if a person is displaced as a direct result of the acquisition. Relocation benefits will vary, depending upon the type and length of occupancy, as discussed later in this booklet.

Displaced persons are classified as either:

- A residential owner-occupant (includes mobile homes), or
- A residential tenant-occupant (includes mobile homes and sleeping rooms), or
- A non-residential owner/tenant occupant, and/or
- A business, farm, or nonprofit organization.

**Farm**

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

**Nonprofit  
Organization**

An organization that is incorporated under applicable State law as a nonprofit organization, and is exempt from paying Federal income taxes under section 501 of the Internal Revenue Code.

# Section I

## Information For Displaced Residential Persons



## ***General Information***

If you qualify as a displaced residential person, you are entitled to reimbursement for certain payments. Based upon your occupancy status and extent of displacement, these payments may include:

1. Moving costs
2. Replacement housing costs

The following pages briefly explain the eligible payments and the methods of determination.

## ***Moving Cost Reimbursement Options***



### **Individuals and Families**

If you qualify as a displaced person, you are entitled to reimbursement of certain moving and related expenses. The method of moving and the various types of cost payments are explained on the following pages.

## You Can Choose Either of These Two Options:

**Actual Reasonable**

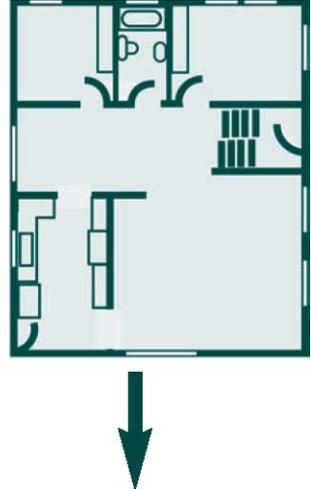
or

**Fixed Moving Cost**



### **Moving Costs**

- Packing and unpacking
- Transportation – up to 50 miles
- Moving insurance
- Other related costs



### **Schedule**

- Based on a per-room schedule (see pg. 4)

## **Actual Reasonable Moving Costs**

You may be reimbursed or paid for your actual reasonable moving costs and related expenses when the move is performed by a commercial mover, or if you perform the move yourself. The Agency's participation of costs will be limited to a 50mile distance in most cases. Related expenses may include:

- Packing and unpacking personal property
- Disconnecting and reconnecting household appliances
- Insurance while property is in transit
- Mobile home park entrance fees

The cost of any actual expense must be considered reasonable. It is the Agency's responsibility to determine what is reasonable and what is not. The Agency will participate in the cost of only one move unless another move is determined necessary beforehand (as in the case of placing personal property into storage). Storage costs may be allowed if it is necessary to store personal property while waiting for another home. Storage costs will not be allowed unless prior approval is given by the Agency.

## Fixed Moving Cost Schedule

If displaced from your dwelling, you may choose to be paid on the basis of a fixed moving cost schedule. The amount of the payment is based on the number of rooms of furniture and personal property in your dwelling. If you choose this option, receipts are not necessary. Under this option, you will not be eligible for reimbursement of the other related expenses listed above.

### MOVING SCHEDULE

*effective 05-23-2012*

#### *Residential Moving Expense and Dislocation Allowance Payment Schedule*

#### The occupant owns furniture

Rooms	1	2	3	4	5	6	7	8	Each additional room
Amount	\$550	700	900	1100	1300	1500	1700	1900	\$250

#### The occupant does not own furniture

Rooms	1	Each additional room
Amount	\$425	\$100

# ***Replacement Housing Payments***

Replacement Housing Payments can be better understood if you become familiar with the definition of the following terms:

- Comparable Replacement Dwelling
- Decent, Safe and Sanitary (DS&S)



## **Comparable Replacement Dwelling**

The term “Comparable Replacement Dwelling” means a replacement dwelling which, when compared to your current dwelling, is:

- Decent, Safe and Sanitary (defined on pg. 6)
- Functionally equivalent, meaning that it will generally perform the same function and provide the same utility as your current dwelling
- Adequate in size to accommodate its occupants
- In an area not subject to unreasonable adverse environmental conditions
- In a location generally not less desirable than your present location with respect to public utilities, commercial and public facilities; and is reasonably accessible to your place of employment
- On a site typical in size for residential development with normal site improvements, including customary landscaping, but does not necessarily include special improvements such as outbuildings, swimming pools. etc. . .



## **Decent, Safe and Sanitary**

Replacement housing must be “decent, safe and sanitary,” (DS&S) meaning that it must meet all of the minimum requirements established by federal regulations and conforms to local housing and occupancy codes. The dwelling shall:

- Be structurally sound, weather tight and in good repair
- Contain a safe electrical wiring system adequate for lighting and electrical appliances
- Contain a heating system capable of sustaining a healthful temperature (of approximately 70 degrees)
- Be adequate in size with respect to the number of rooms and area of living space to accommodate the displaced person(s)
- Contain a well-lighted and ventilated bathroom providing privacy to the user and containing a sink, bathtub or shower stall and a toilet, all in good working order and properly connected to appropriate sources of water and sewage drainage system

- Contain a kitchen area with a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, with adequate space and utility connections for a stove and refrigerator
- Have unobstructed egress to safe, open space at ground level
- Be free of any barriers that prevent reasonable ingress, egress, or use of the dwelling in the case of a handicapped displacee

## **Important notice regarding compliance and inspection for decent, safe and sanitary requirements**

An inspection for decent, safe and sanitary requirements will be conducted of your replacement dwelling by Agency personnel. This inspection is for the sole purpose of determining your eligibility for a relocation payment. Do not interpret the Agency's approval of a dwelling to be any assurance or guarantee that there are no deficiencies in the dwelling or its fixtures and equipment which may be discovered at a later date. It is your responsibility to protect your best interest and investment in the purchase or rental of your replacement property. The Agency assumes no responsibility or blame if structural, mechanical, legal or other unforeseen problems are discovered after the inspection has been conducted.

# ***Types of Replacement Housing Payments***

## **Payments are Separated Into Three Basic Types:**

1. PURCHASE SUPPLEMENT
2. RENTAL ASSISTANCE
3. DOWN PAYMENT ASSISTANCE

The type of payment depends on whether you are an owner or a tenant and how long you have lived in the property being acquired prior to negotiations.

### **Purchase Supplement**

For owner occupants of 180 days or more  
see page..... 10

### **Rental Assistance**

For owner occupants and tenants of 90 days or more  
see page..... 12

### **Down Payment Assistance**

For owner occupants of 90 to 179 days  
and tenants of 90 days or more  
see page..... 16

Complete details on length-of-occupancy requirements follow.

### **Date for Vacating the Property**

All occupants will ultimately be notified in writing of a specific date by which they must vacate the property, which in many cases may be up to 120 days after the Agency acquires the property. Check with the acquiring Agency on specific dates associated with your property and the Agency's needs.

## Basic Occupancy and Time Periods Determine Benefits

There are some basic length-of-occupancy requirements that determine the type of replacement housing payment a residential occupant may be entitled to. Length of occupancy is simply the number of days the dwelling is occupied on and before the date of initiation of negotiations by the acquiring Agency for the purchase of the property. The term "initiation of negotiations" refers to the date the acquiring Agency presents the property owner or owner's representative a written offer to purchase the property to be acquired.

- **Owner-Occupants** on and of at least 180 days or more prior to the initiation of negotiations **may be** eligible for either a purchase supplement or a rental assistance payment.
- **Owner-Occupants** on and of at least 90 days but no more than 179 days, or **Tenants** in occupancy on and of at least 90 days or more prior to the initiation of negotiations, **may be** eligible for either a rental assistance payment or a down payment toward the purchase of a replacement dwelling.
- **All Occupants** on and of less than 90 days before the initiation of negotiations for property that is subsequently acquired, or **Occupants** who move onto the property after the initiation of negotiations and are still in occupancy on the date of acquisition, may be eligible for last resort housing (see pg. 17). Check with a Relocation Advisor for details regarding possible benefits.

## **Purchase Supplement — For Owner Occupants of 180 days or More**

If you are an owner and have occupied your home for 180 days or more immediately prior to the initiation of negotiations for the acquisition of your property, you may be eligible—in **addition to the fair market value of your property**—for a supplemental payment, not to exceed \$22,500, for all costs necessary to purchase a comparable decent, safe and sanitary (DS&S) replacement dwelling. The Agency will compute the maximum payment you are eligible to receive. To receive this payment, you must purchase and occupy a DS&S replacement dwelling within one year.

There are three items that may be included in a Purchase Supplement, all of which would be in addition to the acquisition price paid for your home. They are:

### **1. Price Differential**

The price differential payment is the amount by which the cost of an Agency determined replacement dwelling exceeds the acquisition cost of the displacement dwelling.

### **2. Increased Mortgage Interest Cost**

You may be reimbursed for increased mortgage interest costs if the interest rate on your replaced mortgage exceeds that of your present mortgage. To be eligible, your acquired dwelling must have been encumbered by a bona fide mortgage that was a valid lien on the property for at least 180 days prior to the initiation of negotiations.

### **3. Incidental Expenses (Closing Costs)**

You may also be reimbursed for other expenses such as reasonable costs for title search, recording fees, a home inspection and certain other closing costs, but not prepaid expenses such as real estate taxes or property insurance.

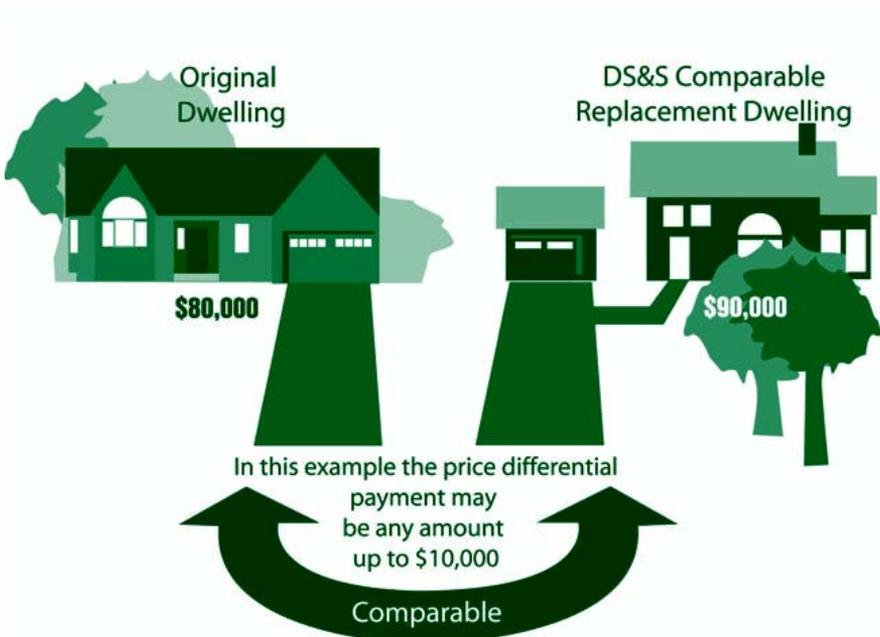
The total amount of the purchase supplement shall not exceed \$22,500 according to law.

## Example of a price differential

### Example of a Price Differential Payment Computation

Assume that the Agency purchases your property for \$80,000. After a thorough study of available decent, safe and sanitary dwellings on the open market, the Agency determines that a comparable replacement property is available at a cost of \$90,000. You would then be eligible for a "price differential" up to \$10,000.

If your purchase price is more than \$90,000, you pay the difference (see Example C -pg. 12). If your purchase price is less than \$90,000, the differential payment will be based on actual costs (see Example B -pg. 12).



How much of the differential payment you receive depends on how much you actually spend on a replacement dwelling, as shown in these examples:

### Acquiring Agency's Computation

Available Comparable Replacement Dwelling .....	\$90,000
Agency Purchase Price of Your Current Dwelling .....	\$80,000
<b>Eligible Maximum Potential Price Differential:</b> .....	<b>\$10,000</b>

### Example A

Available Comparable Replacement Dwelling .....	\$90,000
Purchase Price of Your Actual Replacement Dwelling ....	\$90,000
Agency Purchase Price of Your Current Dwelling .....	\$80,000
<b>You Receive</b> the Maximum Price Differential of: .....	<b>\$10,000</b>

### Example B

Available Comparable Replacement Dwelling .....	\$90,000
Purchase Price of Your Actual Replacement Dwelling ....	\$85,000
Agency Purchase Price of Your Current Dwelling .....	\$80,000
<b>You Receive</b> the Price Differential of:.....	<b>\$ 5,000</b>

### Example C

Available Comparable Replacement Dwelling .....	\$90,000
Purchase Price of Your Actual Replacement Dwelling ....	\$95,000
Agency Purchase Price of Your Current Dwelling .....	\$80,000
You Recieve the Price Differential of .....	\$10,000
and <b>You Must Pay</b> the Additional:.....	<b>\$ 5,000</b>

## Rental Assistance

### Owner-Occupants and Tenants of 90 Days or More

Owner-Occupants and tenants of 90 days or more may be eligible for a rental assistance payment. To be eligible for a rental assistance payment, tenants and/or owners must have been in occupancy of the dwelling at least 90 days immediately preceding the initiation of negotiations for the acquisition of the property.

This payment was designed to enable you to rent a comparable decent, safe and sanitary replacement dwelling for a 42month period. If you choose to rent a replacement dwelling and the rental payments are higher than you have been paying, you may be eligible for a rental assistance payment up to \$5,250.

The Agency will determine the maximum payment you may be eligible to receive in accordance with established procedures. The rental assistance payment will be paid in a lump sum unless the Agency determines that the payment should be paid in installments. To receive this payment, you must rent and occupy a DS&S replacement dwelling within one year from the date you vacate the property being acquired for the project.

All computations use a "base monthly rent" to calculate the Rental Assistance benefit, which will be the lesser of –

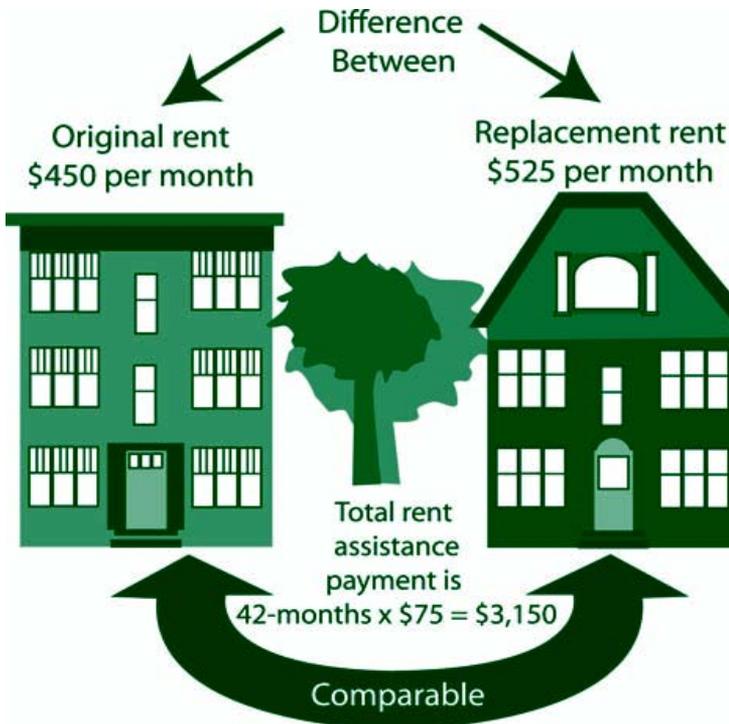
1. Your current average monthly cost for rent and utilities;
- or
2. 30% of your average monthly gross household income if the amount qualifies as "low Income" by the U.S. Housing and Urban Development Annual Survey of Income Limits for Public Housing and Section 8 programs.

This will be further explained by your Relocation Advisor.



## Example of Rental Assistance

As an example of how a rental assistance payment is computed, let's assume that you have been paying \$450 per month rent for the dwelling occupied by you and purchased by the Agency. After a study of the rental market, the Agency determines that a replacement rental unit, which is DS&S and comparable to your present dwelling, is available for \$525 per month. The maximum rental assistance payment you can receive in this case is \$75 per month for a 42-month period, or \$3,150.



## **Option A**

If you select a replacement dwelling that rents for \$550 per month, despite the availability of comparable DS&S replacement rental units that rent for \$525 per month, you will still receive only the maximum computed payment of \$3,150. In other words, you must pay the additional \$25 per month.

## **Option B**

If you select a replacement dwelling that rents for more than your present rent but less than the amount determined by the Agency, you will be paid on the basis of actual cost. For example, assume you select a replacement dwelling unit that rents for \$500 per month. On the basis of actual cost, you will be eligible for a payment of \$50 per month for 42 months or \$2,100.

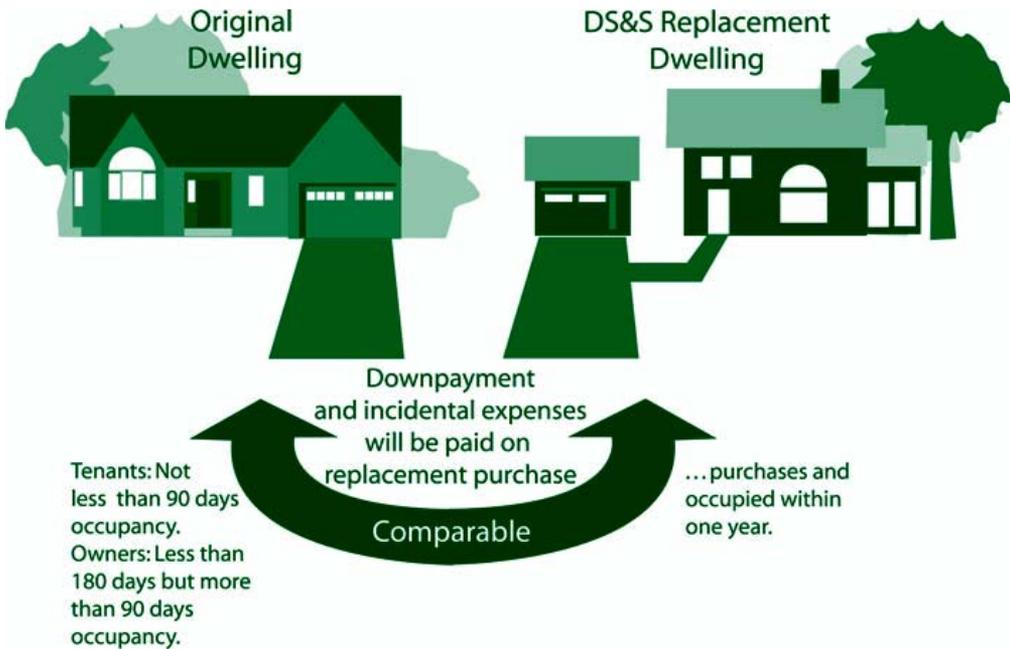
The computation of a rental assistance payment for an Owner-Occupant is slightly more complex, and space does not permit its inclusion in this brochure. Owners interested in renting should contact a Relocation Advisor for a complete explanation.

# Downpayment Assistance

## Owner-Occupants of 90 to 179 days and Tenants of 90 Days or More

Owner-Occupants of 90 days to 179 days and tenants of 90 days or more may be eligible for a downpayment and incidental expenses. The Agency will determine the maximum downpayment you may be eligible to receive.

Incidental expenses include the reasonable costs of a title



search, recording fees and certain other closing costs, but do not include prepaid expenses such as real estate taxes and property insurance. You also may be eligible for the reimbursement of loan origination or assumption fees, if such fees are normal to real estate transactions in your area and they do not represent prepaid interest. The combined amount of the downpayment and incidental expenses cannot exceed the amount determined as a rental assistance payment, or the actual pur-

chase price of the replacement, whichever is less. The down-payment amount that you are eligible for is based on the amount of the computed rental assistance that you would have received if you had continued in a tenant status. The total computed amount must go toward the purchase of a DS&S replacement dwelling. Again, you must purchase and occupy a DS&S replacement dwelling within one year.

## ***Last Resort Housing***

On most projects, an adequate supply of housing will be available for sale and for rent, and the benefits provided will be sufficient to enable you to relocate to comparable housing. However, there may be projects in certain locations where the supply of available housing is insufficient to provide the necessary housing for those persons being displaced. When a housing shortage occurs, the Agency will solve the problem by the administrative process called Last Resort Housing.

If comparable housing is not available or is not available within the \$5,250 or \$22,500 payment limits, it must be provided before you are required to move.

The Agency may provide the necessary housing in a number of ways, such as:

1. Purchasing an existing comparable residential property and making it available to the displacee in exchange for the displacement property.
2. The relocation and rehabilitation (if necessary) of a dwelling purchased within the project area by the Agency and making it available to the displacee in exchange for the displacement property.

3. The purchase, rehabilitation and/or construction of additions to an existing dwelling to make it comparable to a particular displacement property.
4. The purchase of land and the construction of a new replacement dwelling comparable to a particular displacement property when comparables are not otherwise available.
5. The purchase of an existing dwelling, removal of barriers and/or rehabilitation of the structure to accommodate a handicapped displacee when suitable comparable replacement dwellings are not available.
6. A replacement housing payment in excess of the \$5,250 or \$22,500 payment limits.
7. A direct loan that will enable the displacee to construct or contract for the construction of a decent, safe and sanitary replacement dwelling.

The acquiring agency has broad flexibility in implementing the Last Resort Housing program, and the methods are not limited to the above list.

All persons eligible for replacement housing assistance have a freedom of choice in the selection of replacement housing. The Agency will not require any displaced person, without his/her written consent, to accept the replacement housing offered by the Agency. If a displacee decides not to accept the replacement housing offered by the Agency, the displacee may secure a replacement dwelling of his/her choice, providing it meets DS&S housing standards.

## To All Residential Displacees

The most important thing to remember is that the replacement dwelling you select must meet basic "decent, safe and sanitary" standards. **Do not execute a sales contract or a lease agreement until a representative from the agency has inspected and certified in writing that the dwelling you propose to purchase or rent does meet the basic standards.**

Please do not jeopardize your right to receive a replacement housing payment by moving into a substandard dwelling.

### ***Fair Housing***

The Federal Fair Housing Act sets forth the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States. This Act and amendments make discriminatory practices in the purchase and rental of most residential units illegal if based on race, color, religion, sex, national origin or disability.

Whenever possible, minority persons shall 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. This policy, however, does not require an acquiring Agency to provide a person a larger payment than is necessary to enable that person to relocate to a comparable replacement dwelling.



# Section II

## Information for Businesses, Farms and Nonprofit Organizations



# ***Moving Cost Reimbursement Options***

## **Businesses, Farms and Nonprofit Organizations**

**Owners and/or tenants may be paid on the basis of actual reasonable moving costs and related expenses or, under certain circumstances, a fixed payment.**

1. **Actual reasonable moving expenses** may be paid when the move is performed by a professional mover or if you move yourself. Related expenses such as personal property losses (pg. 24), reestablishment costs (pg. 25) and expenses in finding a replacement site (pg. 26), may also be reimbursable.  
or
2. You may be eligible to receive a **Fixed Payment** (pg. 27) from a minimum of \$1,000 to a maximum of \$20,000. This payment is based on the annual net earnings of the business or farm, not to exceed \$20,000. To qualify for a fixed payment, certain conditions must be met.

## **Types of Payments**

### **Actual Reasonable Moving Costs**

#### **Including**

- Complete move of personal property, up to 50 miles
- Personal property losses, if any

#### **Plus**

- Related nonresidential expenses (pg. 24)
- Reestablishment expenses (pg. 25)
- Searching expenses in finding a replacement location  
( pg. 26)

## Fixed Payment in Lieu of Moving Costs, etc.

- \$1,000 minimum to \$20,000 maximum
- Based on average annual net earnings of the business over the two years prior to the year of displacement
- Paid in-lieu of **ALL** other relocation expenses

## Two Ways to Move Your Enterprise

**Professional Mover:** You may be paid the actual reasonable costs of your move carried out by a professional mover. All of your expenses must be supported by receipts in order to ensure prompt payment of a moving cost claim. **Also, costs must be reasonable and necessary.** Certain other expenses are also reimbursable, such as packing, crating, unpacking and uncrating, disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment and other personal property. Other expenses, such as insurance while in transit, temporary storage and additional handling costs may also be reimbursable. Storage costs must be considered necessary and be preapproved by the Agency prior to placing into storage in order to be eligible for reimbursement.

**Self-Move:** If you elect to take full responsibility for all or part of the move, the Agency may approve a payment not to exceed the lowest acceptable bid or estimate prepared by qualified moving firms, moving consultants, or a qualified Agency employee. If two acceptable bids or estimates cannot be obtained, or you decide to move yourself on an actual cost basis, your moving payment may be based on actual, reasonable moving expenses supported by receipted bills or other evidence of actual expenses.

# **IMPORTANT**

**Notification and Inspection.** To assure eligibility and prompt payment for moving expenses, you must provide the acquiring Agency with **advance written notice** of the approximate date of the planned move and **an inventory of the items to be moved**. The Agency has the right to inspect the personal property at the displacement and replacement sites and to monitor the move. Failure to do this could jeopardize your claim.

## **Direct Losses of Tangible Personal Property**

Displaced businesses, farms and nonprofit organizations may be eligible for a payment for the actual direct loss of tangible personal property that is incurred as a result of the move or discontinuance of the operation. This payment will be based on the value of the item for continued use at the displacement site, less proceeds from its sale or the estimated cost of moving the item, whichever is the lesser.

Your Relocation Advisor will explain this procedure in detail if you face this problem.

## **Related Nonresidential Expenses**

The following may also be eligible costs if the Agency determines that they are actual, reasonable and necessary:

- Connection to available nearby utilities from the right-of-way to improvements at the replacement location
- Professional services performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced business operation, including but not limited to:
  - soil testing, site feasibility and marketing studies
- Impact fees or onetime assessments for anticipated heavy utility usage

## Reestablishment Expenses

A small business, farm, or nonprofit organization may be eligible for a payment, not to exceed \$50,000 for expenses actually incurred in relocating and reestablishing the enterprise at a replacement site. To qualify, the business, farm or nonprofit organization must not have more than 500 employees working at the site being acquired or displaced by the program or project.

Reestablishment expenses may include, but are not limited to, the following:

1. Repairs or improvements to the replacement property required by federal, state or local law, code or ordinance.
2. Modifications to the replacement real property to accommodate the business operation or make the structure(s) suitable for conducting the business.
3. Construction and installation costs for exterior signing to advertise the business.
4. Redecorate or replacement of soiled or worn surfaces at the replacement site, such as painting, paneling and carpeting when required by the condition of the replacement site.
5. Advertising the new business location.
6. The estimated increased costs of operation during the first two years at the replacement site for such items as:
  - Lease or rental charges
  - Personal or real property taxes
  - Insurance premiums
  - Utility charges (excluding impact fees)
7. Other items the Agency considers essential to the reestablishment of the business, except that certain expenditures are not eligible, including but not limited to: the purchase of capital assets, product or related inventory, or interest on borrowed funds.

## Searching Expenses for Replacement Property

Displaced businesses, farms and nonprofit organizations are entitled to reimbursement for actual reasonable expenses incurred in searching for a replacement property, not to exceed \$2,500. Expenses may include transportation, meals and lodging when away from home; the reasonable value of the time spent during the search; fees paid to real estate agents, brokers, or consultants, and other expenses determined to be reasonable and necessary by the acquiring Agency.



## ***Fixed Payment (In Lieu of Moving Expenses)***

Displaced businesses, farms and nonprofit organizations may be eligible for and choose a Fixed Payment option, which is paid in lieu of otherwise eligible moving, related nonresidential, reestablishment and searching expenses. The fixed payment amount would be not less than \$1,000 nor more than \$20,000.

For a business to be eligible for a Fixed Payment, the Agency must determine the following:

1. The enterprise cannot be relocated without a substantial loss of its existing patronage.
2. It is not a part of an enterprise having more than three other establishments engaged in the same or similar activity not being acquired.
3. The business must have **contributed materially** to the income of the displaced person during the two taxable years prior to displacement.

A business being operated at a displacement dwelling or site for the sole purpose of renting the dwelling or site to others is not eligible for the Fixed Payment option.

For the owner of a farm to be eligible for a Fixed Payment, the farm operation must be displaced either by total or partial acquisition. In the case of a partial acquisition, the Agency must determine that the acquisition caused the operator to be displaced or it caused a substantial change in the nature of the farm operation.

A payment to a nonprofit organization is based on gross revenues.

The Fixed Payment is based on the average annual net earnings of the business or farm operation for the two taxable years immediately preceding the taxable year in which it was displaced. \*

Example:

<u>2010</u>	<u>2011</u>	<u>2012</u>
Annual	Annual	Year
Net	Net	Displaced
\$16,000	\$20,000	

AVERAGE  
\$18,000 = Fixed Payment

You must provide information to the acquiring Agency to support your claim. Proof of net earnings is documented by income tax returns.

The Relocation Advisor will explain eligibility requirements and claims documentation if you are interested in this option.

\*Or that two-year period deemed more representative by the acquiring Agency.

# Outdoor Advertising Devices

Owners of outdoor advertising devices (personal property) being displaced are eligible for actual moving and related expenses.

The amount of a payment for **direct loss** of an Advertising Device is limited to the lesser of:

1. The depreciated reproduction cost of the sign (as determined by the Agency) less the proceeds from its sale (or salvage value);  
or
2. The estimated cost of moving the sign, but with no allowance for storage.

Searching expenses for a replacement site, up to \$2,500, may also be allowed by the Agency.





## Section III

# Information on Relocation Assistance Services



# ***Relocation Assistance Services***

Any displaced individual, family, business or farm operation shall be offered relocation assistance services for the purpose of locating a suitable replacement property. Relocation services are provided by qualified personnel employed by, or working on behalf of, the Agency.

They are there to **help, assist** and **advise** you; be sure to make full use of their services. Do not hesitate to ask questions, and be sure you understand fully all of your rights and relocation benefits.

## ***Relocation Advisor***

### **Residential Assistance**

A Relocation Advisor from the Agency will contact you personally. Relocation services and payments will be explained to you in accordance with your eligibility. During the initial interview, your housing needs and desires will be determined as well as your need for assistance. You cannot be required to move unless at least one comparable replacement dwelling is made available to you. When possible, comparable housing will be inspected prior to being made available to you in order to assure that it meets decent, safe and sanitary standards.

In addition, if you desire, the Relocation Advisor will give you current listings of other available replacement housing. Transportation may be provided to inspect available housing, especially if you are elderly or handicapped. The Agency also will provide counseling or help you get assistance from other sources as a means of minimizing hardships in adjusting to your new location.

If necessary you also will be provided with information concerning other federal, state and local housing programs offering assistance to displaced persons.

## **Business and Farm Assistance**

The Relocation Advisor will explore listings of commercial properties and farms whenever businesses and farms are displaced. Steps will be taken to minimize economic harm to displaced businesses and to increase their likelihood of being able to relocate back into the affected community. The Advisor also may explore and provide advice concerning possible sources of funding and assistance from other local, state and federal agencies.

## ***Social Services Provided By Other Agencies***

Your Relocation Advisor will be familiar with the services provided by other public and private agencies in your community. If you have special problems, the Advisor will make every effort to secure the services of those agencies with trained personnel who have the expertise to help you. Make your needs known in order that you may receive the help you need.



# ***Relocation Advisory Assistance***

## **Checklist**

This checklist is a summary of the relocation advisory assistance you may reasonably expect to receive if you are displaced by a project. In addition to the services listed, the Agency is required to coordinate its relocation activities with other agencies causing displacements to ensure that all persons displaced received fair and consistent relocation benefits.

The Relocation Advisor must personally interview displacees to:

- Determine their needs and preferences
- Explain relocation benefits
- Offer assistance
- Offer transportation if necessary
- Assure the availability of a comparable residential property in advance of a residential displacement
- Provide current listing of comparable properties
- Provide the amount of the replacement housing payment, in writing
- Inspect houses for DS&S acceptability
- Supply information on other local, state and federal programs offering assistance to displaced persons
- Provide advice to minimize hardships
- Assist in the preparation of claims for payment

## **Other Important Aspects**

No adverse effects on:

- Social Security eligibility
- Welfare eligibility
- Income taxes

No relocation payment received will be considered as income for the purpose of the Internal Revenue Code of 1986 or for the purposes of determining eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other Federal law **except for any Federal law providing low income housing assistance.**

Current SSI recipients should also review resources with the appropriate Social Security Office.

## ***Appeal Rights***

### **Policy**

Any person may appeal the Agency's determination of their eligibility for relocation assistance or for a determined payment amount. The person must, however, specifically request an appeal by writing to the displacing Agency.

### **Procedure**

A request for review of a denied claim for relocation assistance and payments must be submitted not more than 60 days after having been informed of the claims denial.

### **MnDOT Review Hearing**

For MnDOT projects, relocation appeal requests should be in writing and mailed to:

Director, Office of Land Management  
Minnesota Department of Transportation  
Transportation Building, Mail Stop 630  
395 John Ireland Blvd.  
St. Paul, MN 55155

The Director of Land Management will review and attempt to resolve each issue in question on the basis of available information. If resolution or agreement between the parties cannot be reached, then you may request an appeal of the Agency's decision. Your appeal request would then be heard by an Administrative Law Judge (ALJ) in a contested case hearing.

As the appellant, you will be notified of the date, time and place of the hearing, which will give you the opportunity to be heard and to present supporting evidence of your claim.

If the program or project from which the appeal originated did not involve the use of federal funds, then the Administrative Law Judge's (ALJ) determination constitutes a final decision in the case, as provided in Minnesota Statutes §14.62, subd. 4.

If, however, federal funds were used in the program or project from which the appeal originated, then an appeal officer representing the Agency will recommend a decision, based on the ALJ's ruling, to the Commissioner of Transportation, who will inform the person in writing of the State's decision. If, as the grievant, you are still dissatisfied, you may then seek judicial review.



# ***Summary of Benefits***

## **Payments for Residential Individuals and Families**

1. Owner-Occupant of at least 180 days
  - a. Purchase supplement which includes:
    - i. Price differential
    - ii. Increased mortgage interest costs
    - iii. Incidental expenses (closing costs)
  - b. Can elect to receive rental assistance instead of a purchase supplement
  - c. Moving expenses
2. Owner-Occupant of less than 180 days but at least 90 days
  - a. Rental assistance or downpayment assistance
  - b. Moving expenses
3. Owner-Occupant of less than 90 days
  - a. Moving expenses
4. Tenants of at least 90 days
  - a. Rental assistance or downpayment assistance
  - b. Moving expenses
5. Tenants of less than 90 days
  - a. Moving expenses

# Payments for Business, Farm, Nonprofit Organizations

1. Business
  - a. Moving expenses
  - b. Reestablishment expenses
  - c. Payment for searching for replacement location
  - d. Fixed payment (in lieu of all other eligible expenses)
  
2. Farm operators
  - a. Moving expenses
  - b. Reestablishment expenses
  - c. Payment for searching for replacement location
  - d. Fixed payment (in lieu of all other eligible expenses)
  
3. Nonprofit organizations
  - a. Moving expenses
  - b. Reestablishment expenses
  - c. Payment for searching for replacement location
  - d. Fixed payment (in lieu of all other eligible expenses)

*Please keep in mind that the relocation laws and regulations are quite lengthy. This brochure briefly described payments you may be entitled to. Consult your Relocation Advisor for details, policies and procedures.*

-NOTES-







Minnesota Department of Transportation  
Office of Land Management  
395 John Ireland Blvd. St. Paul, MN 55155