

THE RELOCATION PROGRAM

Mallard Pointe 1951, LLC ("Owner") Relocation Program is designed to minimize hardship, be responsive to unique Project circumstances, emphasize maintaining personal contact with all affected individuals, consistently apply all regulatory criteria to formulate eligibility and benefit determinations and conform to all applicable requirements.

Eligible individuals, who need to permanently move from their existing home, will receive relocation assistance. The relocation program consists of two principal components: advisory assistance and financial assistance (Relocation Benefits).

A. ADVISORY ASSISTANCE

Advisory assistance services are intended to:

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

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

1. Distribute appropriate written information concerning the Owner's relocation program;
2. Inform eligible project occupants of the nature of, and procedures for, obtaining available relocation assistance and benefits;
3. Determine the needs of each displacee eligible for assistance;
4. Provide the residential displacees with at least three referrals to comparable replacement housing within a reasonable time prior to displacement. *Generally, a comparable replacement dwelling must satisfy the following criteria:*
 - (a) *The unit is decent, safe and sanitary - electrical, plumbing and heating systems are in good repair - no major, observable hazards or defects. The unit is adequate in size and is comparable to the acquired dwelling with respect to number of rooms, habitable living space and type and quality of*

construction, but not lesser in rooms or living space as necessary to accommodate the displaced person. The unit is functionally equivalent, including principle features.

- (b) The unit is located in an area not subjected to unreasonable adverse environmental conditions from either natural, or man-made sources, and not generally less desirable with respect to public utilities, transportation, public and commercial facilities, including schools and municipal services and reasonably accessible to the displaced person's place of employment.*
- (c) The unit is available both on the private market and to all persons regardless of race, color, sex, marital status, religion or, national origin.*
- (d) The monthly rental rate is within the financial means of the displaced residential tenant.*

5. Maintain an updated database of available housing resources, and distribute referral information to displacees for the duration of the Project;
6. Provide transportation to the residential displacee, if necessary, to inspect replacement sites within the local area;
7. Inspect replacement housing to assure it meets decent, safe and sanitary standards;
8. Supply information concerning federal and state programs and other governmental programs providing assistance to displaced persons;
9. Assist eligible occupants in the preparation, and submission, of relocation assistance claims;
10. Provide additional reasonable services necessary to successfully relocate occupants;
11. Make benefit determinations and payments in accordance with applicable law and the Owner's adopted relocation guidelines;
12. Assure that no occupant is required to move without a minimum of 90 days written notice to vacate;
13. Inform all persons subject to displacement of the Owner's policies with regard to eviction and property management;
14. Establish and maintain a formal grievance procedure for use by displaced persons seeking administrative review of the Owner's decisions with respect to relocation assistance; and

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

B. RELOCATION BENEFITS

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

Relocation benefits will be provided in accordance with the Owner's rules, regulations and procedures pertaining thereto. Benefits will be paid to eligible displaced persons upon submission of required claim forms and documentation in accordance with the Owner's normal administrative procedures.

The Owner will process advance payment requests to mitigate hardships for tenants who do not have access to sufficient funds to pay move-in costs such as first month's rent and/or security deposits. Approved requests will be processed expeditiously to help avoid the loss of desirable, appropriate replacement housing.

1. Residential Moving Expense Payments

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

a. Actual Cost (Professional Move)

Displacees may elect to have a licensed professional mover perform the move. The actual cost of the moving services, based on at least two acceptable bids, will be compensated by the Owner in the form of a direct payment to the moving company upon presentation of an invoice. Transportation costs are limited to a distance of 50 miles in either case. In addition to the actual move, costs associated with utility re-connections (i.e., gas, water, electricity, telephone, and cable, if any), are eligible for reimbursement.

b. Fixed Payment (based on Room Count Schedule)

An occupant may elect to receive a fixed payment for moving expenses which is based on the number of rooms occupied in the displacement dwelling or ancillary structures on the property. In this case, the person to be relocated takes full responsibility for the move. The fixed payment includes all utility connections as described in (a), above.

2. Rental Assistance for Tenant Occupants Who Choose to Rent

To be eligible to receive the rental assistance benefits, a displaced tenant household has to rent or purchase and occupy a decent, safe, and sanitary replacement dwelling within one year from the date they move from the displacement dwelling.

Based upon the available data regarding Project displacees, the displaced households may qualify for, and may be eligible to apply for, relocation benefits including rental assistance.

Except in the case of Last Resort Housing situations, payments to households will be payable over a 42-month period and limited to a maximum of \$5,250 as stated.

Table 3 on the following page portrays **an example** of a benefits determination:

TABLE 3: Example Computation of Rental Assistance Payments		
1. Old Rent	\$650	Old Rent and Utilities
O r		
2. Ability to Pay	\$700	30% of the Adjusted, Monthly, Gross Household Income*
3. Lesser of lines 1 or 2	\$650	Base Monthly Rental
Subtracted From:		
4. Actual New Rent	\$750	Actual New Rent and Utilities
O r		
5. Comparable Rent	\$775	Determined by CLIENT (includes utilities)
6. Lesser of lines 4 or 5	\$750	
7. Yields Monthly Need:	\$100	Subtract line 3 from line 6
Rental Assistance	\$4,200	Multiply line 7 by 42 months

*Gross adjusted income means the total amount of annual income of a household less the following: (1) a deduction for each dependent in excess of three; (2) a deduction of 10% of total income for the elderly or disabled head of household; (3) a deduction for recurring extraordinary medical expenses defined for this purpose to mean medical expenses in excess of 3% of total income, where not compensated for, or covered by insurance or other sources; (4) a deduction of reasonable amounts paid for the care of children or sick or incapacitated family members when determined to be necessary to employment of head of household or spouse, except that the amount shall not exceed the amount of income received by the person who would not otherwise be able to seek employment in the absence of such care.

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

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

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

- (i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Owner; or
- (ii) Thirty percent (30%) of the displaced person's average, monthly gross household income. If a displacee refuses to provide appropriate evidence of income or is a dependent, the base monthly rent shall be determined to be the average monthly cost for rent and utilities at the displacement dwelling; or
- (iii) The total of the amount designated for shelter and utilities if receiving a welfare assistance payment from a program that designated the amounts for shelter and utilities

3. Downpayment Assistance to Tenants Who Choose to Purchase

The displaced household may opt to apply the entire benefit amount for which they are eligible toward the purchase of a replacement unit.

Residential tenants, who are otherwise eligible to receive the Rental Assistance Payment described above, may choose to receive a lump sum payment equal to forty-two months of rental subsidy (including Last Resort Housing benefits) to purchase a new home.

A displaced household, who chooses to utilize up to the full amount of their rental assistance eligibility (including any Last Resort benefits) to purchase a home, will have the funds deposited in an open escrow account, provided that the entire amount is used for the downpayment and eligible, incidental costs associated with the purchase of a decent, safe, and sanitary replacement home. A provision shall be made in the escrow arrangements for the prompt return of the Owner's funds, in the event escrow should fail to close within a reasonable period of time.

Final determination about the type of relocation benefits and assistance for which the household is eligible will be determined upon verification of the household's occupants, ages, length of occupancy and income.

C. PROGRAM ASSURANCES AND STANDARDS

Adequate funds are available to relocate the displaced household. Relocation assistance services will be provided to ensure that displacement does not result in different or separate treatment of households based on race, nationality, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, the California Fair Employment & Housing Act, and the Unruh Act, as well as any other arbitrary or unlawful discrimination.

D. GENERAL INFORMATION REGARDING THE PAYMENT OF RELOCATION BENEFITS

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

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

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

E. LAST RESORT HOUSING

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

Therefore, if the Project is to go forward, the Owner will authorize its funds or funds authorized for the Project to provide housing of last resort. Funds will be used to make payments in excess of the monetary limit specified in the statute (\$5,250); hence, satisfying the requirement that “comparable replacement housing” is available.

A displaced tenant household will be entitled to consideration for supplementary benefits in the form of Last Resort Housing assistance when the computed replacement housing assistance eligibility exceeds \$5,250 or replacement dwelling monthly rental costs (including utilities and other reasonable recurring expenses) exceed 30% of the person’s average monthly income (financial means) or when a tenant fails to meet the 90-day occupancy requirement and comparable replacement rental housing is not available within the displaced person’s financial means. Calculations of Last Resort rental assistance benefits for tenants who fail to meet the 90-day occupancy requirement will be based solely on household income. Non-90-day qualifiers must meet basic eligibility requirements applied to all other displacees.

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

F. RELOCATION TAX CONSEQUENCES

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