

Section 24.301(g)(17) Searching for a Replacement Location

We propose to move this paragraph from § 24.303(a)(13) and increase “searching expenses” from \$1,000 to \$2,500. This amount has been set at \$1,000 for 16 years. This proposed change is supported by the FHWA’s National Business Relocation Study which recommended increasing the searching expenses. Searching expenses are intended to provide compensation for the actual time and effort to find a replacement site, which also should include reasonable costs to investigate the site. Such costs may include the cost of obtaining permits, attending zoning hearings or negotiating the purchase of a replacement site. We propose to provide additional insight and flexibility in appendix A on the application of searching expenses.

Section 24.301(g)(18) Low Value/High Bulk

We propose to add a paragraph on low value/high bulk property. The current regulation does not address cases where items of personal property owned by a displaced business are more costly to move than they are worth. The proposed change would provide a procedure available when the personal property to be moved is of low value and high bulk and, in the judgment of the displacing Agency, the cost of moving the personal property is disproportionate to its value.

Section 24.301(h)(12) Ineligible Moving and Related Expenses.

For clarity and uniformity, we propose to add refundable security and utility deposits to the list of ineligible moving expenses, § 24.301(h)(12). Since refundable deposits, by the name alone, indicates a return of the investment to the displaced person, we do not consider a refundable deposit a reimbursable expense under the Uniform Act.

Section 24.301(i)(1) and (2) Notification and Inspection

We propose to reorganize and merge this section from four paragraphs into three paragraphs. We do not propose to change the wording. These proposed changes are for clarity and readability. The phrase “The displaced person must” is merged into the introductory paragraph to eliminate redundancy and provide clarity.

Section 24.302 Fixed Payment for Moving Expenses-Residential Moves

This section provides that displaced residential owners and tenants may receive a moving expense payment

based on the Fixed Residential Moving Cost Schedule⁴ approved by the FHWA. Currently, this section provides that the Fixed Residential Moving Cost Schedule payment made to a person with minimal personal possessions in occupancy of a dormitory style room or whose residential move is performed by an Agency at no cost to the individual is limited to \$50. This has been the limit since 1987. Since this payment is included in the fixed residential moving cost schedule that is updated periodically, we are proposing to remove the \$50 dollar amount from § 24.302, so that the amount and future increases to this payment would be established by the Fixed Residential Moving Cost Schedule. Therefore, each time the schedule is updated, this payment could be updated as well. Agencies must be sure they are using the most current edition of the Fixed Residential Moving Cost Schedule.

Section 24.303 Related Non-Residential Eligible Expenses

As a result of reorganizing Subpart D for convenience and clarity, the relocation of all items of personal property would be included in § 24.301. We are proposing to add a new section, § 24.303, that would provide reimbursement for several costs that are not considered to be personal property but are essential to the continuing operation of the business. These costs are additional expenses, other than for moving personal property, that are not covered by either § 24.301 (personal property) or § 24.304 (real property.) Reimbursement for these expenses would be allowed if they are determined by the Agency to be “actual, reasonable and necessary.”

Subpart E—Replacement Housing Payments

Section 24.401(e)(4) Incidental Expenses

We are proposing to add professional home inspection to the list of reimbursable incidental expenses. Professional home inspections including electrical systems, plumbing, and HVAC are commonplace and should be added to the list of reimbursable incidental expenses. Most agencies are currently allowing for this expense.

⁴ The Fixed Residential Moving Cost Schedule is available for public inspection at the following URL: <http://www.fhwa.dot.gov/////realestate/fixsch96.htm>.

Section 24.401(f) Rental Assistance Payment for 180 Day Homeowner-Occupant

We propose to add language that would allow a rental assistance payment for a 180-day homeowner, who elects to rent, instead of purchase, a replacement dwelling, to exceed \$5,250 if the difference in the estimated market rent of the acquired dwelling and the rent for a comparable replacement dwelling support a higher figure. However, the rental supplemental payment would not be allowed to exceed the amount the 180-day owner would have received as a housing (purchase) supplemental payment under proposed § 24.401(b). It was brought to our attention through the national listening sessions and through discussions with other Federal Agencies that this change would be fair and make the displaced person whole at no additional cost to the Agency.

An example of the proposed change would be where an elderly couple who own their home may want to rent rather than purchase another home. Under current procedure, the Agency would compute a replacement housing offer, which for this example is, say, \$10,000. The Agency would then compute a rental assistance payment based on the difference in market rent and an available comparable dwelling, which for this example is \$7,000. Currently, we would only pay the maximum amount of \$5,250. The proposed change would allow the Agency to pay the \$7,000 rent supplement or any rent supplement up to what they would have received as a 180-day homeowner (\$10,000 in this example) to purchase a replacement dwelling.

We feel this would be a fair and equitable approach, provided the rent supplement does not exceed the amount the 180-day homeowner could receive if he or she elected to purchase a replacement dwelling, rather than to rent one.

Section 24.402(b)(2)(ii) Replacement Housing Payment for 90-Day Occupant

We propose to slightly revise § 24.402(b)(2)(ii) to reflect the statutory requirement that only a low-income displaced person’s income shall be taken into consideration when calculating rental assistance payments for a comparable replacement dwelling (42 U.S.C. 4624(a).)

Section 24.402(b)(2) currently uses 30 percent of a person’s average monthly gross household income as the criteria for computing replacement housing payments for all eligible displaced tenants. This often results in large payments to existing tenants who are