

MAP-21 FACT SHEET

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SUBJECT: Acquisition and Relocation Assistance Lump –Sum (Global) settlement

PROBLEM STATEMENT:

MAP 21 Section 1301(b) (4) (C) establishes a demonstration program to streamline the relocation process by permitting a lump-sum payment for acquisition and relocation if elected by the displaced occupant.

Combining Relocation Assistance Program (RAP) payments with real estate acquisition payments in a lump sum (global) settlement may streamline Right of Way (R/W) activities. The Department has prior guidance from both Department Legal staff as well as the Federal Highway Administration (FHWA) indicating that global settlements were not allowed since RAP payments are typically reimbursements of actual costs and are an entitlement, whereas acquisition payments under “just compensation” are statutorily required and are based on fair market value.

RECOMMENDATION:

Ask FHWA to provide information on the demonstration program to ascertain the level of participation that may or may not be required by the Department. The Division of Right of Way and Land Surveys Office of Project Delivery would be willing to participate in any pilot program regarding global settlements developed by FHWA. Once the pilot is complete the Department will work with FHWA to evaluate the results and craft policy and/or procedures accordingly.

BACKGROUND:

Limited background exists on global settlements since the practice of combining RAP and acquisition payments into a global settlement has been strongly discouraged by both Caltrans legal and FHWA. While the practice has been discouraged within the Department, there have been some Local Agencies in years past that have in fact settled both RAP and Acquisition in (pending) eminent domain cases.

ALTERNATIVES:

PROS : A demonstration project regarding global settlements may further help streamline R/W activities.

CONS: The need for legislative changes at both federal and State levels may delay implementation if the demonstration project is found to be successful

PROPOSED IMPLEMENTATION SCHEDULE:

The implementation schedule is dependent upon the demonstration project time frame which has yet to be clarified by FHWA.

SUBJECT: Early Acquisition

Codes and Statutes impacted by Map-21 Section 1301

California Code of Regulations, Title 25, Chapter 6042 (California Relocation Assistance and Real Property Acquisition Guidelines)

•49 Code of Federal Regulations, Part 24.204(a)(Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs)

California Code of Civil Procedure