

Chicago Public Schools Policy Manual

Title: ESTABLISH A POLICY REGARDING ASSISTANCE PAYMENTS FOR RELOCATED PROPERTY OWNERS AND TENANTS

Section: 405.1

Board Report: 96-1023-PO2

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Policy:

RELOCATION ASSISTANCE POLICY

1. Eligibility.
2. Eligible Moving Expenses.
3. Alternate Moving Expense Allowance -- Individuals and Not-For-Profit Entities.
4. Alternate Fixed Relocation Allowance -- For-Profit Entities.
5. Additional Assistance Towards Replacement Site Costs
6. Closing Costs Allowance
7. Time to Make Claims.
8. Availability of Funds
9. Procedures and Guidelines

When a person is required to relocate by a Chicago Public Schools project, the Chicago School Reform Board of Trustees ("Board") authorizes certain relocation payments, subject to the availability of funds, as part of the cost of site acquisition if relocation assistance payments are unavailable from federal funds or other governmental sources. The purpose of this policy is to encourage real property owners and tenants voluntarily to convey their interests and relocate within the city of Chicago, in lieu of condemnation proceedings.

1. Eligibility. A person is eligible to receive payments under this policy if the person is required to relocate by Chicago Public Schools projects from a site the person occupies and owns or leases (i) when the city of Chicago, acting for the Chicago School Reform Board of Trustees, acquires the property in trust for the use of schools, (ii) when the property is acquired by a voluntary conveyance and not through condemnation proceedings, and (iii) when the person is ineligible for relocation assistance payments, or relocation assistance payments for the person are unavailable, from federal funds or other governmental sources. For purposes of this policy, "person" means an individual or legal entity. No Trustee or statutory officer of the School Reform Board of Trustees is eligible for relocation assistance payments.
2. Eligible Moving Expenses. Eligible persons may, at their election, be reimbursed for certain expenses incurred, up to the applicable limit set forth below in this Paragraph 2, for moving from the acquired site to another location.
 - 2.1 For an individual, eligible moving expenses are limited to the actual reasonable cost to move the individual, the individual's family living with him or her at the acquired site, together with their personal property kept at the acquired site, to another site no more than 50 miles from the site acquired for the Board.
 - 2.2 For a commercial (for-profit) or a not-for-profit entity, eligible moving expenses are limited to the actual reasonable cost to move the business or not-for-profit operation, together with its personal property and business trade fixtures ordinarily kept on the premises, to another site no more than 50 miles from the site acquired for the Board.
 - 2.3 To be reimbursed for the "actual reasonable cost to move," an eligible person must obtain original Bill of Lading Estimates from 3 different moving companies licensed to do business in the state of Illinois; the lowest estimate applies.
3. Alternate Moving Expense Allowance -- Individuals and Not-For-Profit Entities. In lieu of being reimbursed for eligible moving expenses under Paragraph 2.1 or 2.2 above, as applicable, an eligible individual or not-for-profit entity may elect to accept a moving expense allowance determined according to a schedule to be established by the Attorney based upon typical moving

costs from sites of comparable size. An acceptable sample schedule is attached as Schedule A, and the Attorney may, in his or her reasonable discretion, modify it from time to time to reflect market changes.

4. Alternate Fixed Moving Expense Allowance -- For-Profit Entities. In lieu of being reimbursed for eligible moving expenses under Paragraph 2.2, an eligible for-profit entity that moves from the acquired site to another site may elect to accept a fixed relocation payment in an amount equal to either the average annual net earnings of the entity or \$5,000, whichever is the lesser amount. The term "average annual net earnings" means 1/2 of the sum of the net earnings from the business operated at the site for the 2 full tax years immediately preceding the tax year in which the business moves from the acquired site. The term "net earnings" means all gross revenues less all customary and lawful business expenses except for (i) federal, state, and local income taxes and (ii) any compensation paid to shareholders, partners, and their respective spouses and dependents.
5. Additional Assistance Towards Replacement Site Costs. In addition to the payments authorized under Paragraphs 2 through 4 above for moving expenses, eligible persons may also receive, as part of the cost of site acquisition, an additional allowance towards various expenses associated with acquiring replacement real property in the city of Chicago. Payments authorized under this Paragraph are as follows:

5.1 Owner Allowance

- a. Individuals. An individual who is otherwise eligible under Paragraph 1 and owns and occupies real property that is (i) acquired for a Chicago Public Schools project and (ii) improved by a single, 2-, 3-, or 4-family dwelling ("qualified residential site") may receive a fixed allowance of \$5,000. Only one such \$5,000 payment is authorized to be paid per qualified residential site, even if more than one individual owns it. This allowance is only payable if one or more of the individual owners actually occupied the dwelling for at least the one-year period ending on the date the Board formally designated the site for acquisition and only if and when one or more of the individual owners acquires and occupies a new site in the city of Chicago within 2 years after the date the Board formally designated the qualified residential site for acquisition.
- b. For-Profit and Not-For-Profit Entities. An entity that is otherwise eligible under Paragraph 1 and owns and occupies real property that is (1) acquired for a Chicago Public Schools project and (2) improved by an office building or other business structure ("qualified commercial site") may receive a fixed allowance of \$5,000. Only one such \$5,000 payment is authorized to be paid per qualified commercial site, even if more than one entity owns it. This allowance is only payable if and when one or more of the relocated owners purchase(s) replacement property in the city of Chicago (and relocates to it) within 2 years after the date the Board formally designated the qualified commercial site for acquisition.

5.2 Tenant Allowance

- a. Amount. Subject to the restrictions below, a tenant may receive an allowance in the amount of \$1,500.
- b. Restrictions. To qualify for the allowance described in Section 5.2.a above, the tenant must occupy part or all of an acquired site under a lease on the date the Board formally designated the site for acquisition and must be otherwise eligible for assistance under Paragraph 1. The Attorney may specify in each case, in his or her discretion, the acceptable evidence required to establish the existence of a lease. Only one such allowance is authorized to be paid per legally established dwelling unit or place of business, and the allowance is to be paid only if and when the tenant relocates within the city of Chicago, whether by lease or purchase, within 2 years after the Board formally designated the site for acquisition.
- c. Terminology. Under this subparagraph 5.2, the term "dwelling unit" has the same meaning as in Article 3, Section 3.2 of the city of Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago. A dwelling unit is "legally established" if it is authorized to exist in a residential building or a building of mixed occupancy (with one of the occupancies being residential) pursuant to the issuance of a valid building permit under Section 13-200-300 of the Chicago Building Code or authorized by a final and nonappealable court order. If the Attorney

in good faith believes the number of dwelling units or places of business exceeds the number permitted by law and there are excessive claims for the tenant allowance for the acquired site, the Attorney, at his or her sole reasonable discretion, may allocate an amount not to exceed the sum of the maximum allowable payments under this Paragraph 5.2 among eligible claimants.

5.3 One Owner or Tenant Allowance Payment Only. No person is allowed to receive both allowances, or part of both allowances, under Paragraph 5. If a person is potentially eligible for both types of allowance, only the smaller allowance applies.

- 6 Closing Costs Allowance. As part of the Board's cost of site acquisition, owners of real property who are eligible for assistance under this policy may also receive reimbursement for various expenses associated with closing and transferring title for the real property that is being acquired for the Chicago Public Schools, including deed recording fees (but not for mortgage release fees), title insurance, escrow fee, and survey costs. This allowance is in addition to the payments authorized under Paragraphs 2 through 5 above for moving expenses and new site acquisition costs.
- 7 Time to Make Claims. All claims for reimbursement under this policy must be submitted, together with all supporting documents reasonably required by the Attorney, within 24 months following the date the acquired site was conveyed to the city of Chicago in trust for the use of the Chicago Public Schools.
- 8 Availability of Funds. All relocation assistance payments under this policy are subject to the availability of funds appropriated and designated for this purpose by the Board. All payments under this policy, at the Attorney's option, may be placed in escrow for release to the owner(s) or their designees if and when any preconditions are met.
- 9 Procedures and Guidelines. The Attorney is authorized in his or her reasonable discretion to develop guidelines and procedures to carry out this policy.

Amends/Rescinds: 96-0626-PO4

Cross References:

Legal References: