

## **Chapter Seven** **Mobile Homes**

A person displaced from a mobile home is entitled to the same benefits and payments as a person displaced from a conventional dwelling.

In Iowa, a “mobile home” is defined in Iowa Code § 321.1(36C.a) as “any vehicle without motive power used or so manufactured or constructed as to permit its being used as a conveyance upon public streets and highways and so designed, constructed or reconstructed as will permit the vehicle to be used as a place for human habitation by one or more persons.” It was not built to a mandatory building code, contains no state or federal seals and was built before June 15, 1976.

A “manufactured home” is defined as a factory built structure built under authority of 42 U.S.C. 5403, and is required by federal law to display a seal from the U.S. Department of Housing and Urban Development, and was constructed on or after June 15, 1976.

For our purposes, manufactured and mobile homes are considered one and the same and will be covered under this section.

Mobile homes present unique situations, because they may be considered as either real property or personal property and there may be a separation of ownership between the dwelling and the site.

These differences present two general problems. The first involves a decision whether to acquire or move the Mobile Home from subject property. The second is a major increase in the complexity of determining the relocation assistance payments for which the displaced person is eligible.

### ***Basic Mobile Home Factors***

There are three basic considerations when dealing with mobile home moves which, once a determination is made, allow the Relocation Advisor to move forward to a successful relocation.

#### ***Realty Versus Personal Property***

The first consideration when dealing with mobile home moves is to determine the status of the mobile home as real or personal property. In Iowa, if a mobile home is located in a mobile home park, it must be titled and is subject to the mobile home square foot tax. If it is permanently placed outside a mobile home park, the mobile home is assessed and taxed as real estate. For relocation assistance purposes, a mobile home is considered to be personal property, unless the mobile home has been permanently affixed to the site and is now considered part of the real estate. In this case the mobile home will be appraised and acquired as part of the real estate.

## ***Mobile Home Versus Site***

Mobile homes, unlike conventional structures, may be separated from their sites, and from an ownership standpoint. Since a mobile home displacement often has two distinct parts, the mobile home itself and the site, it is often necessary to compute two separate replacement housing payments. It is not unusual to have payments that reflect a different status (owner or tenant), since the displacee might own the mobile home but rent the site or vice versa. There are four general eligibility categories in which all mobile home displacements occur.

- Owner of the mobile home and owner of the site.
  - ❖ Owner-occupant of 180 days or more
  - ❖ Owner -occupant of at least 90 days but less than 180 days
  - ❖ Owner-occupant of less than 90 days
- Owner of the mobile home and tenant on the site.
  - ❖ Occupants of 90 days or more
  - ❖ Occupants of less than 90 days
- Tenant in the mobile home and owner of the site.
  - ❖ Occupants of 180 days or more
  - ❖ Occupants of 90 days or more
  - ❖ Occupants of less than 90 days
- Tenant of the mobile home and tenant on the site.
  - ❖ Occupants of 90 days or more
  - ❖ Occupants of 90 days or less

## ***Owner Versus Tenant***

Like conventional dwellings, Replacement Housing Payments (RHP) for persons displaced from mobile homes differ based on their status as homeowner or tenant. For RHP purposes, the occupant's status, as an owner or a tenant, is determined by the ownership or tenancy of the mobile home and not the site on which it is located.

Thus, an occupant of a mobile home who owns the mobile home and its site and an occupant who owns the mobile home but not the site, are both homeowners for RHP purposes and are potentially eligible for a supplement payment of \$22,500, Housing of Last Resort provisions apply. Conversely, an occupant who owns the site but rents the mobile home is a tenant for rental supplement purposes and is eligible for a payment not to exceed \$5,250, unless Housing of Last Resort housing provisions apply.

Eligibility for RHPs is also affected by the length of time the displaced person has occupied the mobile home and displacement site prior to the initiation of negotiations. This parallels the

requirements for occupants of conventional dwellings.

If the mobile home is not actually acquired, but the occupant is considered to be displaced, the “initiation of negotiations” is when negotiations began to acquire the land, or if the land is not acquired, the written notification to the occupant that he or she is to be displaced.

### ***Types of Owners and Related Benefits***

There are four types and/or combinations of owners and/or tenants for Mobile Homes. Each type contains categories of eligibility of benefits. A discussion of the different types and categories has been provided.

### ***Owner of the Mobile Home and the Site***

If the displaced person owns both the mobile home and the mobile home site, the mobile home will be appraised as realty. The Relocation Advisor should locate a mobile home on a site, as a unit for comparison purposes, employing the same methods as used for conventional dwellings. If there are no similar mobile homes on sites that are DSS and cannot be made DSS economically, the advisor may base the comparable housing study on conventional housing.

#### *➤ Owner Occupants of 180 Days or More*

A person is considered to be in this category and may be eligible for an RHP if the person has actually owned and occupied the displacement dwelling for not less than 180 days prior to the initiation of negotiations for its purchase by the Iowa DOT.

The maximum Replacement Housing Payment (RHP) for this category is \$22,500 unless Housing of Last Resort provisions apply. The payment will be the sum of:

- ❖ The purchase supplement; and
- ❖ The increased mortgage interest costs and other debt service costs incurred in connection with the mortgage of the replacement property, limited to: the remaining balance of the mortgage(s) on the displacement dwelling and/or site; and
- ❖ The expenses incidental to the purchase of the replacement dwelling, limited to the lesser of: the costs that would have been incurred had the person purchased as comparable replacement property; or, the actual expenses.

Definitions for Purchase Supplement, Mortgage Interest Differential Incidental Expenses are in Chapter Three.

The methods used for this category are the same as conventional dwellings.

#### *➤ Owner Occupants of at Least 90 days but less than 180 Days*

A person is considered to be in this category and may be eligible for a rental supplement, if the person has actually owned and occupied the displacement property for not less than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT. In order to be eligible for a rental supplement, the person must rent or purchase and occupy a DSS replacement property within one year after the later of:

- ❖ The date final payment for the displacement property is received, or in the case of a condemnation, the date the full amount of the estimate of just compensation is deposited with the sheriff; or
- ❖ The date the displacee is offered comparable replacement housing. The maximum rental supplement for this category is \$5,250 unless Housing of Last Resort provisions apply. The methods used in this category are the same as conventional dwellings.

➤ *Owner Occupants of less than 90 Days*

Owner occupants of less than 90 days are not eligible for a supplemental housing payment to assist in purchasing replacement housing. Unless the market is volatile, it is assumed that a home owner in this category can purchase the replacement dwelling for the same price paid for the displacement. This situation is rarely encountered and the Relocation Supervisor will be consulted to determine the course of action.

### ***Owner of the Mobile Home and Tenant on the Site***

This is the most common of the four categories of mobile home displacements. Generally, the mobile home is considered to be personal property, therefore the Iowa DOT will reimburse the costs associated with moving and reestablishing the mobile home at another location.

In addition, as the tenant on the site, the displacee is eligible for a rental supplement to relocate to another site. The rent and utilities of the displacement site are compared to the rent and utilities of a comparable replacement site and a rent differential is computed based on a period of 42 months.

➤ *Occupants of 90 Days or More*

A person is considered to be in this category and may be eligible for an RHP, if the person has actually owned or rented the mobile home and occupied the displacement site for not less than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT.

The maximum Replacement Housing Payment (RHP) for this category is \$5,250 unless Housing of Last Resort provisions apply. (See Housing of Last Resort Chapter) This maximum payment is based on moving the mobile home and a rental supplement for the site.

Generally, site tenants in this category are in mobile home parks and it is quite possible that the mobile home can be moved to another location in the same park, with little or no rental supplement for the site.

Example:

Monthly rent of comparable site:	\$ 150
Less monthly rent of displacement site: -	\$ 100
Rent difference: \$ 50 x 42 mos.	\$ 2,100
Supplemental site payment:	\$ 2,100

Rather than continue to rent a site, the displacee may decide to purchase a replacement site. It is the policy of the Iowa DOT to encourage this option, if it is a viable alternative for the displacee.

The full amount of the rental supplement payment must be applied to the purchase price of the replacement site. The purchase price of the replacement site can include sewer and water costs, if necessary.

Although the Relocation Advisor is not required to locate sites for the displacee to purchase, it is important for the advisor to advise the displacee of zoning requirements, availability of utilities, DSS requirements, etc.

In certain circumstances, the Iowa DOT will acquire the mobile home, if the Iowa DOT determines that the mobile home:

- ❖ Is not and cannot economically be made DSS; or
- ❖ Cannot be relocated without substantial damage or unreasonable cost; or
- ❖ Cannot be relocated because there is no available comparable replacement site; or
- ❖ Cannot be relocated because it does not meet mobile home park entrance requirements.

If the mobile home will be acquired under any of these circumstances, its salvage value or trade-in value, whichever is higher, will be used as the acquisition cost of the mobile home for purposes of computing the supplemental housing payment.

Example:

Cost of comparable mobile home:	\$ 15,000
Less trade-in value: -	5,000
Supplemental housing payment:	\$ 10,000
Monthly rent of comparable site:	\$ 150
Less monthly rent of displacement site: -	100
Rent difference: \$ 50 x 42 mos.	
Supplemental site payment:	\$ 2,100

Supplemental housing payment =	\$ 10,000
Supplemental site payment =	\$ 2,100
Total RHP =	\$ 12,100

If the displacee chooses to purchase a replacement site, the supplemental site payment would be increased to \$ 5,250, thus increasing the RHP to \$15,250.

➤ *Occupants of Less Than 90 Days*

A person is considered to be in this category, if the person has actually owned and occupied the mobile home and/or occupied the site for less than 90 days prior to, or after, the initiation of negotiations for its purchase by the Iowa DOT.

Persons in this category are eligible for reimbursement of the costs associated with moving the mobile home to another location and a possible rental supplement for the site. This rental supplement is the same for occupants of more than 90 days, except when there is a replacement site available within the displacee’s financial means, then the displacee is not eligible for a rental supplemental payment. (See Financial Means)

All moving and RHP payments to displacee’s in this category will be paid under Housing of Last Resort provisions.

***Tenant in the Mobile Home and Owner of the Site***

This is the least common of the four categories of mobile home displacements. The mobile home is considered as personal property. The cost to move home to another location will be paid to the owner of the mobile home. The non-occupant owner of the mobile home is not eligible to receive an RHP, but may be eligible for reestablishment expenses as a landlord.

➤ *Occupant of 180 Days or More*

A person is considered to be in this category if the person has actually rented the mobile home for at least 90 days and owned and occupied the site for at least 180 days prior to the initiation of negotiations for its purchase by the Iowa DOT.

As a tenant in the mobile home, the displacee is eligible for a rental supplement based on a comparable replacement mobile home and the maximum rental supplement is limited to \$5,250, unless Housing of Last Resort provisions apply.

As the owner of the site, the displacee also may be eligible for a supplemental payment based on a comparable replacement site. The maximum supplemental payment for this portion is \$22,500 unless Housing of Last Resort provisions apply.

Example:

Monthly rent for comparable mobile home: \$ 500

Monthly rent for displacement mobile home: -\$400  
Monthly difference: \$ 100

Difference times 42 months: \$ 4,200

Sale price for comparable replacement site: \$35,000  
Acquisition price of displacement site: - \$20,000  
Difference: \$15,000

Increased interest costs: \$ 3,500  
Incidental expenses: \$ 1,500

<u>Rent Supplement</u>	<u>\$ 4,200</u>
<u>Supplemental Housing Payment</u>	<u>\$15,000</u>
<u>Increased Interest</u>	<u>\$ 3,500</u>
<u>Incidental expenses</u>	<u>\$ 1,500</u>

Maximum Replacement Housing Payment (RHP): \$24,200

Although the total RHP exceeds \$22,500, Housing of Last Resort provisions do not apply because neither the tenant portion (\$4200) nor the owner portion (\$20,000) exceeds the individual thresholds of \$5,250 and \$22,500 respectively.

In addition, the tenant could opt to acquire a replacement dwelling and then be eligible for \$5,250 down payment assistance rather than the \$4,200 indicated in the rental study. Thus the total RHP would increase to \$25,250. Thus making Housing of Last Resort provisions applicable.

➤ *Occupants of 90 Days or More*

A person is considered to be in this category, if the person has actually rented the mobile home for at least 90 days and owned and occupied the site for at least 90 days, but less than 180 days prior to the initiation of negotiations for its purchase by the Iowa DOT.

As a tenant in the mobile home, the displacee is eligible for a rental supplement based on a comparable replacement mobile home and the maximum rental supplement is limited to \$5,250 unless Housing of Last Resort provisions apply.

As the owner of the site, the displacee is eligible for a rental supplement based on a comparable site and the maximum rental supplement is \$5,250. Payment in this category would be computed based on the market rent of the site.

Payment in this category cannot exceed the payment the displacee would have received as an owner-occupant of the site for 180 days or more. See previous discussion.

Example:

Monthly rent for comparable mobile home: \$ 500  
Monthly rent for displacement mobile home: - 400  
Monthly difference: \$ 100

Difference times 42 months: \$ 4,200

Monthly rent for comparable replacement site: \$ 300  
Monthly market rent for displacement site: - 150

Difference times 42 months: \$ 6,300 : \$ 6,300

Maximum Replacement Housing Payment (RHP): \$10,500

If, as the tenant-occupant, the displacee opted to acquire a replacement dwelling, the RHP would be \$10,500, assuming all other requirements were met.

➤ *Occupants of Less Than 90 Days*

A person is considered to be in this category if the person has actually rented the mobile home for less than 90 days and/or owned and occupied the site for less than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT. This category also applies to subsequent occupants who moved into the mobile home after the initiation of negotiations, but before its purchase by the Iowa DOT.

Persons in this category are eligible for a possible rental supplement the same as occupants of more than 90 days except that if there is a replacement mobile home available within the displacee's financial means, the displacee is not eligible for a supplemental rental payment.

As the owner of the site, in this category, the displacee is not eligible for a supplemental payment to assist in purchasing a comparable replacement site. Unless the market is volatile, it is assumed that the owner in this category can purchase a replacement site for the same price paid for the displacement.

***Tenant in the Mobile Home and Tenant on the Site***

If the displaced person is both a tenant in the mobile home and the site, they will be eligible for a rental supplement. The non-occupant owner of the mobile home and site is not eligible to receive an RHP, but is eligible to receive reimbursement for the costs of moving and reestablishing the mobile home at another location.

➤ *Occupants of 90 Days or More*

A person is considered to be in this category and may be eligible for a rental supplement if the person has actually rented and occupied the displacement property for at least 90 days prior

to the initiation of negotiations for its purchase by the Iowa DOT.

In order to be eligible for a rental supplement, the person must rent or purchase and occupy a DSS replacement property within one year after the date they move from the displacement dwelling.

The maximum rental supplement for this category may not exceed \$5,250 unless Housing of Last Resort provisions apply. The methods for this category are the same as conventional dwellings.

For displacements in a mobile home park, the Relocation Advisor may be able to locate comparable replacement housing within the same or another similar park. If replacement sites in mobile home parks are not available the Relocation Advisor may consider the option to base the comparable housing study on a conventional dwelling.

➤ *Occupants of 90 Days or Less*

A person is considered to be in this category, if the person has actually rented the mobile home and site for less than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT. This category also applies to subsequent occupants, who rented the home and site between the initiation of negotiations date and the date the mobile home and site are acquired by the Iowa DOT.

Persons in this category are eligible for a possible rental supplement the same as occupants of more than 90 days. However, if there is a replacement mobile home or conventional dwelling available within the displacee's financial means, the displacee is not eligible for a supplemental rental payment.

### ***Moving Costs and Related Expenses***

Any displaced person, who owns and/or occupies a mobile home located within the proposed acquisition area, is entitled to reimbursement of moving costs and related expenses for moving the mobile home, if it is considered personal property, and/or for moving the contents of the mobile home.

There are many possible variations in payment computations for mobile home owners and occupants. In order to clarify payment computations, some, though not all, of the mobile home situations which may occur are discussed below.

### ***Moving Expenses for Mobile Homes Occupied by Owners***

An owner-occupant of a displaced mobile home classified as personal property and not acquired by the Iowa DOT may be reimbursed for moving and related expenses on an actual cost basis, provided the Iowa DOT determines the costs are reasonable and necessary, or a schedule move basis for the contents of the mobile home. Past experience indicates the necessity to remove the personal property in the mobile home prior to the moving of the home, so that the structural integrity of the mobile home is not jeopardized by the move.

If a displaced owner-occupant is reimbursed for the cost of moving the mobile home and any necessary related expenses, that displacee is not eligible to receive a supplemental housing payment for the mobile home itself. However, the displacee may be eligible for a supplemental payment in connection with the rental or purchase of a replacement site, depending upon the length and type of occupancy on the displacement site.

### ***Moving Expenses for Mobile Homes With Non-Occupant Owners***

A non-occupant owner of a displaced mobile home that is not acquired by the Iowa DOT may be reimbursed for the actual and reasonable cost of moving the mobile home from the site based on moving estimates. The use of business move procedures is proper in this case because the mobile home is personal realty and may be used for a business. As a business, the owner also has the option of a self-move. Since the owner in this case is not an occupant, there is no eligibility for an RHP.

### ***Moving Expenses for Mobile Homes Occupied by Tenants***

A tenant of a displaced mobile home may be reimbursed for moving their personal property on an actual cost basis or a schedule move basis. Note that under this category there may be two moving expense payments, one for the owner to move the mobile home and one for the tenant to move furnishings and other personal property, similar to when a non-occupant owner has personal property to be moved from a conventional dwelling.

### ***Eligible Moving Expenses***

The following are the moving and related expenses eligible for reimbursement on an actual and reasonable cost basis:

- Moving the mobile home and other personal property. Moving expenses are generally limited to a 50 mile radius, but this may be waived if zoning regulations or mobile home park restrictions do not allow the mobile home due to age, condition, size, etc.
- Packing, crating, moving, unpacking and uncrating personal property. This includes the reasonable cost of disassembling, moving and reassembling any attachments such as porches, decks, skirting which were not acquired. Also, anchoring and setting up the unit in a new location and utility hookup charges. Many times the porches, decks or skirting are in such a condition that it may be more cost effective to replace rather than move them.
- Repairs and/or modifications required so that the mobile home can be moved and/or made to be DSS. These expenses are only eligible if the Iowa DOT determines that it is economically feasible to pay them. In general economic feasibility exists, if the expenses required do not cause the moving payment to exceed what would be necessary if a RHP was made.
- A non-refundable entrance fee to a mobile home park to the extent that it does not exceed the fee that would be necessary in a park that is comparable to the

displacement mobile home park.

- The cost of insurance for the replacement value of the mobile home and other personal property during the move.
- The replacement value of the mobile home and other personal property lost, stolen or damaged during the moving process, which is not the fault of or due to the negligence of the displaced person, his or her agent, or employees, when insurance covering such loss, theft or damage is not reasonably available.
- Transportation costs of the mobile home occupants to the replacement site.
- Temporary lodging (including meals) for displaced mobile home occupants while the mobile home is being relocated and reestablished at the replacement site. Temporary lodging should be for a short duration, unless there are extenuating circumstances and reimbursement for said lodging and meals will be limited to current allowances for employees of the Iowa DOT. The Relocation Advisor should make accommodation requests for lodging in order to try to keep it at the current State allowance.
- Other related moving expenses that the Iowa DOT determines to be reasonable and necessary and are not listed as ineligible expenses.

If the owner of the mobile home is reimbursed for the cost of moving and reestablishing the mobile home, that owner is not eligible to receive a RHP assist in purchasing or renting a replacement mobile home. The owner may be eligible to receive a RHP in purchasing or renting a replacement site.

### ***Partial Acquisition of a Mobile Home Park***

If the proposed partial acquisition of a mobile home park leaves a remainder that is not adequate to continue the operation of the park the Iowa DOT may determine the remaining tract has become an uneconomic remnant. The Iowa DOT may elect to acquire the entire tract, or consider a Highest and Best Use change for the subject property. In either event the remaining mobile homes located on the remainder may be considered displaced as a result of the project, and the owners or tenants of those homes eligible for payments and assistance. These determinations are usually made during the appraisal process, but may also occur during acquisition activities.

### ***Direct Payments***

In order to minimize or eliminate a hardship, the displacee may request that the vendor be paid directly. The Relocation Advisor can arrange for such payments. The displacee may assign payments to movers and other vendors providing services required by the move. The Assignment of Interest form and W-9's should be used.

No payment should be released until confirming with the displacee that the move was

satisfactorily completed. If there are any issues left unresolved the warrant should be released to the displacee and notification of the same should be given to the vendor.

If the vendor has an outstanding lien with the State of Iowa, the Iowa Department of Revenue may attach any payments to satisfy said lien. When this occurs it is important that the Relocation Advisor notify both the displacee and vendor that this has happened. Neither the displacee nor the Iowa DOT will be required to make additional payments to the vendor.

### ***Transfer of Ownership***

Upon request, the displacee will transfer ownership of any personal property not moved, sold or traded in, to the Iowa DOT. Usually this will be in the form of a Bill of Sale or notarized Letter of Understanding.

## **Chapter Seven Overview**

- The Relocation Advisor must recognize certain basic Mobile Home factors when determining the benefits available to the displaced. These factors include:
  - ❖ Realty versus Personal Property
  - ❖ Mobile Home versus Site
  - ❖ Owner versus Tenant
  
- Several different types of interests in Mobile Homes exist. The Relocation Advisor must identify the type and length of tenancy to determine the eligible benefits.
  
- Occupants of Mobile Homes are also eligible for moving costs and related expenses. Eligibility is determined by the type of interest in the Mobile Home.
  
- Miscellaneous items pertaining to the displacement of Mobile Homes includes:
  - ❖ Partial Acquisition of Mobile Home Park
  - ❖ Direct Payments
  - ❖ Transfer of Ownership