



**Iowa Department of Transportation**

**Office of Right of Way  
Relocation Assistance  
Policy and Procedures Manual  
Revised January, 2013**





# Iowa Department of Transportation

## OFFICE OF RIGHT OF WAY RELOCATION ASSISTANCE POLICY AND PROCEDURES MANUAL

(Revised January 2013)

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## **Introduction**

### ***Please Note:***

*This manual was current as of the date of revision. Changes may have occurred since that time. For updates, please contact the Acquisition/Relocation Assistance Section, Office of Right of Way, Iowa Department of Transportation, 800 Lincoln Way, Ames Iowa, 50010, or (515) 239-1135.*

### ***Manual Format***

This manual has been written in several chapters. Each chapter will provide specific information for a particular aspect of the Relocation Assistance Program. The appendices contain samples of forms and other materials intended as reference materials.

### ***General Responsibilities***

The purpose of the Relocation Assistance Program is to ensure that persons who are required to move (or to move their personal property) as a result of public projects will not suffer disproportionate losses as a result of those projects. Payments and benefits are provided in compliance with state and federal laws and regulations.

### ***Civil Rights Compliance and Affirmative Action Policy***

Federal and State laws and regulations provide for the fair treatment of the public during the Relocation Assistance process. All benefits are calculated and services are provided on a nondiscriminatory basis without regard to race, color, sex, or national origin.

Our written agreements incorporate nondiscrimination provisions as required by Federal law and regulations. When obtaining outside services, we will provide opportunities to known minority real estate brokers, auctioneers, and contractors, including African-Americans, Hispanics, Native Americans, Asian-Indian, Asian-Pacific Islanders, or others as applicable by race, creed, color, sex, religion, or national origin.

### ***Governing Legislation and Regulations***

The Iowa DOT is authorized to administer the Relocation Assistance Program through state and federal requirements. Federal requirements may be found in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (known as the Uniform Act), Public Law 91-646, as amended. The federal regulations are located in 49 CFR Part 24. State requirements are found in Iowa Code Chapters 6B and 316 with implementing rules in 761 Iowa Administrative Code, Chapter 111.

## ***Section Organization***

Administration of the Relocation Assistance Program for the Iowa DOT is assigned to the Acquisition/Relocation Section, Office of Right of Way, and operates under the general administration of the Acquisition/Relocation Supervisor also referred to as the Relocation Supervisor. The Relocation Supervisor reports directly to the Director of the Office of Right of Way. The Relocation Supervisor is supported in program administration by the Acquisition/Relocation Production Coordinator, also referred to as the Production Coordinator.

The Production Coordinator is responsible for assigning work to the Relocation Advisors, maintaining project and parcel records, provide training for new advisors, serve as a resource for advisors and act as the Relocation Supervisor's designee when the Supervisor is unavailable.

Relocation Assistance services are provided by Relocation Advisors, who are Right of Way Agents assigned to the Acquisition/Relocation Section. Relocation Advisors are often required to act as Relocation Advisors and as Acquisition Agents.

## ***Services Provided***

The Relocation Program provides a range of services including Advisory Services.

### ***Advisory Services***

761 IAC, Chapter 111.203(1) (b) includes the responsibility to inform the displacee they will be given reasonable Relocation Advisory services, including, but not limited to, referrals to replacement properties, help complete payment claim forms and provide other necessary assistance to help the displacee successfully relocate.

The Relocation Advisor is encouraged to develop information, research available resources, and offer possible suggestions. The Relocation Advisor must ultimately remember that they can only offer advisory services; the displacee always retains the right to refuse or ignore the services offered.

Those impacted by the public project may be entitled to Advisory Services. The following list serves as a guide to identifying those entitled to these services.

- Persons occupying real property to be acquired for the project. This group may include residential owners and tenants, commercial (business) owners and tenants, farms or non-profit organizations, as well as, owners of personal property located within the area to be acquired as part of the project.
- Persons occupying real property adjacent to property being acquired, who are caused substantial economic injury (loss) by the acquisition. The acquisition of property adjacent to a business may reduce its clientele significantly, limit accessibility or affect

it in other ways which cause the business substantial harm. While such businesses are not displaced persons and therefore, not entitled to business relocation payments, the Iowa DOT must make available relocation assistance advisory services to them. Examples of such services might include:

- ❖ consultation with them on space needs
  - ❖ current market conditions
  - ❖ traffic patterns or transportation as these patterns relate to relocating the business; information regarding the availability of relocation sites
  - ❖ information about and referral to the Small Business Administration.
- Persons, who as a result of the project, move or move personal property from real property not being acquired for the project. For example, the owner of a business lives across the street from their business location and the business is being acquired, but the residence is not. In these cases the business may be relocated to another location some distance from the residence.
  - Persons who move into a property after its acquisition by the Iowa DOT. In these cases, the tenant moves with the knowledge that they will have to move when required by the project. Although no relocation assistance payments will be made to assist with the move, these “short-term occupants” are entitled to advisory services.

### ***Services Provided***

Although individual situations may warrant unique types of assistance, there are basic services that must be made available to all displaced persons.

- Every displacee should receive applicable information involving the relocation assistance program and appropriate payments.
- The Relocation Advisor should explain and describe the eligibility requirements and type of documentation needed for each applicable type of relocation payment, and at the appropriate time, determine the eligibility for payments of each displaced person.
- Determine the needs of persons to be displaced for advisory assistance. The advisor must become familiar with the many different and sometimes special needs of the displaced household or business.
- Make every effort to help meet the needs identified, while recognizing the importance of the displaced person’s priorities and their desire, or lack of desire for assistance.
- Provide the following specific types of services, as appropriate:
  - ❖ Current and continuing information on listings, including prices or rental rates of

comparable replacement properties either comparable to the acquired dwellings or appropriate for displaced businesses and farms. This information can be provided by personal contact, electronically or by mail. Personal contact is preferred and should be documented in the file. This information is most important while the displaced person is actively looking for a replacement property.

- ❖ Information concerning Federal and State housing and other programs offering relocation or related types of assistance.
- ❖ Assistance in obtaining and completing application or claim forms for relocation payment or other related assistance, as needed.
- ❖ Transportation for displaced persons to inspect potential relocation housing, when needed.
- ❖ Minimize hardships on the displacee's as much as possible, which may include advancing relocation payments.
- ❖ Explain the various types of financing available.

Some displaced persons prefer an independent, self-sufficient approach and will require few advisory services. Other displacee's may require a significant investment in time and resources in order to complete a successful move. The Relocation Advisor must assess the needs of each displacee and proceed accordingly. The successful Relocation Advisor becomes knowledgeable about the situation of the displacee and the pertinent details of the local community. The Relocation Advisor must ascertain if special problems or needs of the displacee exist. This requires careful, thoughtful interviewing skills and repeated contacts.

When working with the displacee, the Relocation Advisor should:

- Develop a rapport with the displacee. This rapport will generate confidence building to improve the chances for a successful relocation.
- Determine those special items that help the displacee in their daily routine. These may include ramps, wider doorways, main floor laundry, lifts, grab rails, special sanitary facilities, etc.
- Determine any family or friends who the displacee may want to be involved in the relocation activities.
- Determine if the displacee needs any special services from the Iowa Department of Transportation or other agency. This may include braille, signing, translating, audio version of the brochure, etc.

Doing what is necessary may include spending a great deal of time listening to the displacee and thus learning what their needs are. The advisor may spend significant time coordinating

with other agencies, family, friend or even medical specialists to ensure the displacee's needs are met.



## **Chapter One** **Planning and Preparation**

Planning and preparation are essential to the success of any project. The purpose of this Chapter is to provide guidance for early planning and preparation of relocation assistance activities. These efforts should begin during the early project development process.

### ***The Relocation Assistance Plan***

49 CFR, Part 24 §24.205(a) and 761 IAC Chapter 111.205 requires the creation of Relocation Assistance plans during the early stages of the development phase of the project. The goal of the federal and state requirements is to ensure Relocation Assistance is provided *“in such a manner that the problems associated with the displacement of individuals, families, businesses, farms, and nonprofit organizations are recognized and solutions are developed to minimize the adverse impacts of displacement.”*

By becoming familiar with the project and neighboring area, the Relocation Advisor will be more apt to recognize potential issues early in the project development process. Potential issues may include the need for increased time to accomplish successful moves, unusual replacement housing needs/payments or limited availability of replacement residential and/or business properties in the local market.

A well-developed Relocation Assistance Plan is beneficial for different groups within the Iowa DOT. The examples provided are not intended to be a complete list of uses for the Plan, but to demonstrate the many uses available for a well-developed Plan.

- The Acquisition/Relocation Section may use the Plan to estimate staffing needs and plan for workload assignments.
- The Office of Right of Way may use the Plan to furnish costs estimates for the project to the applicable Offices throughout the Iowa DOT.
- The Office of Location and Environment (OLE) may use the Plan to recognize potential Environmental Justice issues created by individual project concepts.
- The Project Management Team (PMT) may consider the Plan when developing the Preferred Alignment for the project.

### ***The “P2” Event***

The Iowa DOT maintains a system for monitoring the progress of projects called “Project Scheduling”. Events essential to the development of projects have been identified. Applicable data is entered into the Project Scheduling System upon completion of an essential event. The Relocation Assistance Plan has been identified as an essential event for some projects. This event has been entitled the “P2” event.

The Relocation Assistance Plan is the document necessary for the completion of the “P2” event in the Iowa DOT’s Project Development Schedule. “P2” events are only required when a project is classified as an “Environmental Assessment” (EA) or an “Environmental Impact Study” (EIS) project.

When the Office of Location and Environment (OLE) classifies a project as an EA or EIS project, the classification will be sent by OLE to the Relocation Supervisor with an indication that a “P2” event is required. The Relocation Supervisor (or designee) will add the P2 event to the Iowa DOT’s project development schedule. The scheduled completion date for the P2 event shall be at least three months prior to the CP3 event.

OLE will provide their CP2 packet to the Relocation Supervisor. The packet will contain the alternatives to be analyzed along with descriptions and visual aids of the project corridor.

### ***Components of the Relocation Assistance Plan***

As soon as practical, the Production Coordinator (or designee) will start a survey of potential displaced properties and replacement properties. If the project will acquire business properties, replacement business properties will also be considered. Research should begin through casual observation of the project and properties to be acquired noticing issues such as types of properties involved, evidence of special needs, ramps, evidence of large families, such as playground equipment or numerous toys present, and other noticeable items. Note that we do not need to interview displacee’s at this time.

The assessor’s office may provide information to owner occupied properties versus tenant owned properties. Other available resources to be used for research may include multiple listing service, realty companies, Internet web sites and newspaper advertisements. A survey of local builders, well-drillers, septic contractors and house movers may be necessary. Local financial resources might also be contacted to determine prevailing interest rates and special services available to the relocatee. Area services such as public transportation, schools, shopping facilities, etc. should be reviewed as well as local agencies who provide information on low-income, senior citizen or assisted living housing.

The following outline has been provided as a guide in developing a Relocation Plan or “P2” document.

- A description of the project which includes:
  - ❖ The highway being improved.
  - ❖ Identify the County/City/description of location.
  - ❖ Describe the type of improvement being proposed (4-lane, Super 2-lane, Bridge project, etc.)

- ❖ List the different types of properties involved (rural residential, improved farmsteads, urban residential, commercial, etc.)
  - ❖ Provide the anticipated construction time frame as of the date of the Relocation Plan.
- Include discussion of the components considered in developing the Relocation Plan
- ❖ Identify the number of alternatives being considered at the time the Relocation Plan is developed.
    - Acknowledge in the report if only one alternative is being studied.
    - Acknowledge and describe if multiple alternatives are still being considered.
    - Develop comparisons of the similarities and differences of all alternatives considered.
  - ❖ Provide a reference date for cost estimates
    - State if the date of the report is also the effective date of the cost estimates.
    - Provide the basis used for estimating future dollars, if a future date is used.
  - ❖ Identify the source(s) used in gathering the information used in arriving at cost estimates. For example, county records, local realtors, developers, etc.
- Develop a discussion of displacement properties.
- ❖ Describe the individual displacements for each alternative considered.
  - ❖ Identify and report any known unique social or economic issues, for example:
    - Disruption of any particular ethnic or racial neighborhood.
    - Economic disruption or isolation of the impacted neighborhood.
- Specify types of properties to be replaced
- Residential (Rural, urban, both)
  - Farmsteads
  - Commercial

- Industrial
  - Estimate number of owner occupied dwellings vs. number of tenant occupied dwellings. This information may be found by comparing the owners mailing address on the county assessor cards with the address of the subject properties.
- Provide a brief description of improvements estimated to be acquired on each parcel for each alternative considered. For example:
- ❖ House
  - ❖ Commercial buildings
  - ❖ Outbuildings
  - ❖ Signs
  - ❖ Large inventories (car or implement dealers for example)
  - ❖ Livestock
  - ❖ Other types of improvements.
- Develop a discussion of factors influencing the local market within the project corridor.
- ❖ Compare current listings for each type of property to be displaced as a result of the project.
  - ❖ Determine and conclude if the number of available properties within the local market will allow for the displacements to be absorbed without straining the local real estate market.
  - ❖ Consider if the option of new construction will be required and identify which parcels may require a build new option.
  - ❖ Identify the availability of building lots and building contractors in the area.
- Develop an estimate of Relocation Assistance costs for each alternative being considered for the project
- ❖ Provide the basis used in developing the estimate.
  - ❖ Demonstrate how the calculations made.

- ❖ Provide a final estimate for each alternative, so the estimates may be used in considering the ultimate preferred alignment.
- The report should conclude with the writer's recommendations including:
  - ❖ Suggestions for project time schedules, for example:
    - Suggested R-5 dates, which represent the scheduled completion date for Relocation Activities found in Project Scheduling.
    - Recommended time scheduled for implementing and completing the Relocation Assistance Process. (R4 date).
  - ❖ The writer may also wish to include implementation strategies which consider:
    - Exploration and/or use of early or advanced purchases.
    - Whether to stage or phase acquisitions or to proceed with all acquisitions at the same time.
    - Identify the need or lack of need for a freeway office.
    - Calculate the number of staff (Relocation Advisors) needed to handle the project workload.
    - Identify and describe any other applicable recommendation.
- Develop a summary of the report.
- Include an Appendix for additional data that should be included within the report. For example:
  - ❖ Copies of documents used (Assessor cards, etc.).
  - ❖ Copies of pertinent documentation and correspondence.
  - ❖ Copies of other applicable records.

For planning purposes the Office of Right of Way has calculated anticipated minimal time requirements for providing Relocation Assistance services. These calculations are based on historic average displacement times. These time frames include the time from initiation of negotiations until the displacee actually moved from the acquired property.

- Residential: Owner-Occupied:
  - ❖ These moves took an average of 7 months.

- ❖ In urban areas, the average was 5 months.
- ❖ In rural areas the average was 9 months. )
- ❖ On build new (all rural) the average was 10 months.

➤ Residential: Tenant-Occupied:

- ❖ These moves took an average of 5.4 months.
- ❖ In urban areas, the average was 4.1months
- ❖ In rural areas, the average was 6.5 months.

➤ Non-Residential: Businesses:

- ❖ Typical business moves took an average of 9 months.
- ❖ Farm Operations took an average of 12 months.

### ***Completion of the Relocation Plan and P2 Event***

The Production Coordinator (or designee) develops and completes the Relocation Plan. The completed Relocation Plan is submitted to the Relocation Supervisor (or designee) for concurrence. The approved Relocation Plan is then submitted to OLE and the Relocation Supervisor enters the P2 event completion date into the project production schedule. The completed and approved Relocation Plan is then be scanned and entered into the ERMS system for permanent record retention. (Note: At the time of this writing the ERMS system is not yet able to handle the storage of the Relocation Plan.)

Projects classified as Categorical Exclusion (CE) projects do not require a P2 event. Please note most Iowa DOT projects are classified as CE's. Relocation Assistance Plans are typically not developed for projects classified as CE's. The exceptions would involve projects when three or more homes and/or businesses are displaced, when a concern that replacement housing is not available or a unique situation in the local market would create unusual hardships for the displacee.

### ***The Initial Interview***

The initial interview with the displacee is essential for a successful relocation process. During this initial visit the Relocation Advisor can make a positive impression with the displacee, gain trust and establish the rapport that can either make the experience a success or create difficult challenges for the future.

Prior to the meeting the Relocation Advisor should become familiar with the general locale of the property to be acquired, the specifics of the proposed acquisition and the potential impacts on the remaining property, if any.

The Relocation Advisor should make every reasonable effort to schedule an appointment with the displacee at a time that is convenient and at a location that is comfortable for the displacee. The purpose of the initial meeting is the exchange of information. Information should be provided to the displacee to answer their initial questions and to provide a level of comfort about the upcoming move. Information should be obtained to allow the Relocation Advisor to complete the applicable studies and calculate the appropriate benefits. The Relocation Advisor should be aware that they may be the first person from the Iowa DOT to meet individually with the displacee.

The Relocation Advisor should be prepared to devote the time and resources necessary to ensure that the Relocation Assistance Program is explained in a manner that the displacee understands. The Relocation Advisor also needs to receive information from the displacee in order to ascertain their needs and desires and must be skillful in seeking this information. This is accomplished by explaining why the information is needed and by providing assurance to the displacee that the information gathered is confidential.

The Relocation Advisor is expected to gather the information necessary to complete the Residential Relocation Subject Inspection Sheet. This information will become the basis for completing moving estimates, comparable housing studies and finally the Offer of Relocation presented to the displacee.



## **Chapter One Overview**

- 49 CFR, Part 24 §24.205(a) and 761 IAC Chapter 111.205 require the creation of Relocation Assistance plans during the early stages of the development phase of the project.
- The Relocation Plan completes the P2 event.
  - ❖ OLE requests creation of a P2 event early in the Development Process and before public involvement for the project.
  - ❖ P2 must be completed prior to the CP3 date.
- Several Offices within the DOT utilize the Relocation Plan
  - ❖ The document is used for different purposes by different consumers.
  - ❖ Uses are continually evolving.
- The Relocation Plan is completed as part of the Project Development Process.
  - ❖ The Relocation Plan is developed early in process and may considered several possible alignments.
  - ❖ Potential displacee's should not be contacted at the time the document is created.
- Acquisition/Relocation Section is responsible for the Relocation Plan
  - ❖ The Relocation Plan is typically created by the Production Coordinator with final concurrence from the Relocation Supervisor, but these duties may be designated.
  - ❖ The final report is made available to OLE and entered into the ERMS system for permanent record retention.
- The Initial Interview
  - ❖ Critical for successful relocation.
  - ❖ Should be personal meeting
  - ❖ Use the meeting to provide and gather information.



## **Chapter Two** **Commonly Used Concepts, Definitions, and Term**

The Relocation Assistance Program utilizes concepts and terms unique to the discipline. The purpose of this Chapter is to aid those unfamiliar with the technical jargon used in the Relocation Assistance discipline. This Chapter will focus on those concepts and terms used in all aspects of the Relocation Program. Other chapters in this manual will provide definitions for those concepts and terms unique to the situations detailed in that chapter.

The following definitions may be found in either 49 CFR Part 24 or 761 IAC Chapter 111. For simplification this manual will cite the Iowa Administrative Code location. The Iowa Administrative Code will provide corresponding federal and state requirements.

### ***Decent, Safe and Sanitary (DSS)***

The definition for DSS is found in 49 CFR Part 24.2 (8) "The term decent, safe, and sanitary dwelling means a dwelling which meets local housing and occupancy codes." However, any of the following standards which are not met by the local code shall apply unless waived for good cause.

- The dwelling must have an adequate supply of potable (drinking) water.
- When considering a housekeeping unit, there shall be a kitchen area containing a fully usable sink properly connected to potable hot and cold water and to a sewage drainage system. There must also be adequate space and utility connections for a stove and refrigerator.
- The dwelling must contain a heating system capable of sustaining a temperature of approximately 70 degrees. The furnace should have been inspected or installed within past 12 months. If not, a furnace inspection by a qualified person is required.
- The property must have a separate, well-lighted and ventilated bathroom affording privacy to the user, containing a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and a sewage system.
- The dwelling's electrical system must have an adequate and safe electrical wiring system for lighting and other electrical services.
- The replacement dwelling must be structurally sound, weather-tight and in good repair. Examples: no broken windows; chipped or peeling paint; no major foundation problems; weather proof roof; functional gutters; drainage away from the foundation, etc. The dwelling must have a safe, unobstructed means of egress to safe, open space at ground level.
- Replacement Housing must be adequate in size with respect to the number of rooms,

bedrooms and living space needed to accommodate the displacee. The number of persons occupying each habitable room used for sleeping shall not exceed the number permitted by local housing codes, or in the absence of local codes, each sleeping room should contain at least 72 square feet of floor space for the first occupant and at least 68 square feet for each additional occupant. Generally children of different sex should not be required to share bedrooms. Unique situations may be considered on a case by case basis considering the age and sex of adults and children sharing the unit, cultural customs and the appropriateness of sharing bedroom space.

- For a displacee who is disabled, the dwelling must be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling by such person. Examples: wheelchair ramps, wider doorways, grab bars and special bathing facilities, first floor laundry, etc.
- The replacement dwelling must have operating smoke alarms, a minimum of one per floor, including the basement, and outside each sleeping area. Steps and stairways must have adequately attached and functioning handrails.

### ***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 request in writing to assign payments to movers and/or other vendors providing applicable services required by the displacement. An "Assignment of Interest" form has been provided in Appendix.

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 of this event. Neither the displacee nor the Iowa DOT will be required to make additional payments to the vendor.

### ***Displaced Person (Displacee)***

Complete definitions for displaced persons may be found in 761 IAC, Chapter 111.2(9).

Generally a person is considered to be displaced if required to move from the real property or move their personal property from the real property as a direct result of:

- The acquisition of the real property in whole or in part or,
- A written notice of intent to acquire from the Iowa DOT, or
- The initiation of negotiations for the purchase of the real property by the Iowa DOT.

Please note per 761 IAC Chapter 111.2 (22) a "Person" includes any individual, family, partnership, corporation, or association.

Persons considered **NOT** to be **DISPLACED** are persons who:

- Are not legal residents of the United States of America; or
- Move before the initiation of negotiations, unless the Iowa DOT determines they were displaced as a direct result of the project; or
- Initially enter into occupancy of the property after the date of its acquisition for the project; or has occupied the property for the primary purpose of obtaining relocation assistance under the Uniform Act; or
- Are determined to be in unlawful occupancy prior to the initiation of negotiations or have been evicted for cause under applicable laws.
- Are not required to relocate permanently as a direct result of the project; or
- A person, other than the original occupant, who occupies the property on a rental basis for a short term subject to termination when the real property is needed for the project.
- As owner-occupants, voluntarily sell the property after being informed in writing that if a mutually satisfactory agreement cannot be reached, the Iowa DOT will not acquire the property (displaced tenants are eligible); or
- The Iowa DOT determines the person is not displaced as a direct result of a partial acquisition; or
- Is notified in writing, after receiving an Offer of Relocation Assistance, that he or she will not be displaced. Notice will not be given unless the person has moved and the Iowa DOT agrees to reimburse for any expenses incurred to satisfy binding contractual relocation obligations entered into after the effective date of the notice of relocation eligibility; or
- Retain the right of use and occupancy of the real property for life after the acquisition by the Iowa DOT of the real property.

### ***Eligibility of Aliens Not Lawfully Present in the United States***

Each person seeking relocation payments or Relocation Advisory services shall, as a condition of eligibility, certify:

- In the case of an individual, that he or she is either a citizen or national of the United States or an alien, who is lawfully present in the United States.
- In the case of a family, that each family member is either a citizen or national of the United States, or an alien who is lawfully present in the United States. The head of the household may certify on behalf of other family members.

- In the case of an unincorporated business, farm or nonprofit organization, that each owner is either a citizen or national of the United States or an alien, who is lawfully present in the United States. Certification may be made by the principal owner, manager or operating officer on behalf of other persons with an ownership interest.
- In the case of an incorporated business, farm, or nonprofit organization, that the corporation is authorized to conduct business within the United States.

Certifying that the displacee is a citizen or national of the United States or an alien who is lawfully present in the United States is accomplished on the first contact between the Relocation Advisor and the potential displacee via the Receipt for Brochure form. Refusal to sign the receipt should be noted by the advisor and brought to the attention of the Relocation Supervisor. The advisor is not expected to do an exhaustive investigation as to whether the displacee is a legal resident, but should be relatively certain that the criteria for certification have been met. Documentation may include, but is not limited to, a birth certificate, driver's license, and social security card, green card, etc. Any review of documentation must be conducted in a nondiscriminatory manner. Our standard of review must be consistent for all persons.

If the Iowa DOT has reason to believe that a person's certification is invalid, and that, as a result, the person may be an alien not lawfully present in the United States; verification should be obtained from the local Bureau of Citizenship and Immigration Service (BCIS) Office.

### ***Fair Market Value***

The term *fair and reasonable market value* means, the cash price which would be arrived at between a voluntary seller, willing but not compelled to sell, and a voluntary purchaser, willing but not compelled to buy, both of whom are acting freely, intelligently and at arm's length, bargaining in the open market for the sale and purchase of the real estate in question.

### ***Initiation of Negotiations***

761 IAC Chapter 111.2(16) provides a thorough description of the Initiation of Negotiations. Generally, Iowa DOT projects will consider Initiation of Negotiations to commence when an Offer to Purchase is provided to the owner.

### ***Notices***

Acquiring agencies are required to provide several notices to the displacee during the Relocation Assistance process. The Iowa DOT complies with these requirements through forms and brochures. Descriptions of these notices have been provided.

- General Notice

The “Relocation Assistance and Advisory Services” brochure has been prepared for people who will be required to move or move their personal property. All displacee’s and any interested party are entitled to receive a written description of the Iowa DOT’s Relocation Assistance Program. Copies of this brochure are available to attendees of public hearings and upon request.

This brochure is presented by the Relocation Advisor at the first contact with the owner or tenant of a parcel requiring relocation assistance. The Receipt for Brochure should be signed to demonstrate that the general information contained in the brochure was made available. Refusal to sign the receipt should be noted by the advisor and included in the parcel file. The purpose of the brochure is to inform the relocatee that they may be required to move as a result of the project. The brochure provides information which includes the following:

- ❖ Describes payments that may be available, and how the person may become and/or remain eligible
- ❖ Informs the person that assistance will be made available to them, including assistance in filing claims for reimbursement, locating potential replacement properties, obtaining assistance from other sources (housing authorities, social services, etc.) and other assistance that may be required to successfully relocate.
- ❖ Informs the person that he or she will not be required to move without at least 90 days written notice, and if the person is the occupant of a home to be acquired. The notice will not be issued until the Iowa DOT has informed them, in writing, of comparable replacement housing currently available to them.
- ❖ Describes the person’s right to have their claim reviewed (the appeal process).

➤ Ninety (90) day notice

761 IAC, Chapter 111.203 (3) states no lawful occupant will be required to move without at least 90 days written notice. This notice is usually delivered by the acquisition agent within the Iowa DOT’s official “Offer to Purchase”. Delivery of the “Offer to Purchase” is considered as the Initiation of Negotiations, which serves to establish eligibility for relocation assistance benefits.

The displacee cannot be given a ninety (90) day notice until the acquiring agency has demonstrated replacement housing is currently available. A comparable is considered not to be available if there is a sale pending, sold, or inactive. The Acquisition Agent who delivers the offer must confirm the availability of comparable replacement housing. This is accomplished by contacting the listing Realtor identified on the Comparable Inspection Sheet just prior to the appointment.

The ninety (90) day notice must also state the displacee will receive a written notice at least 30 days prior to the specific date when they must move. (Please see 30 day notice)

➤ **Thirty (30) Day Notice**

The subsequent thirty (30) day notice will not be issued until the displacee has received payment as agreed in the contract or until the condemnation award has been deposited by the State as prescribed by law.

The displacee and the Iowa DOT may mutually agree to terms that waive the thirty day notice.

➤ **Notice of Intent to Acquire**

Generally persons that move prior to initiation of negotiations are not considered eligible for relocation assistance payments. (761 IAC, Chapter 111.2 (9) (c) (i) ) One exception occurs when the acquiring agency provides a “Notice of Intent to Acquire” as provided in 761 IAC Chapter 111.2(20). In unique situations the Iowa DOT will approve these types of notices to be provided. For example a shortage of available replacement properties, a particular hardship, or a determination that it is in the best public interest to allow the displacee to move from the property prior to the “Initiation of Negotiations”. This written notice will be issued by the Relocation Supervisor if necessary.

### ***Salvage Value***

The term “salvage value” means the probable sale price of an item, if offered for sale on the condition that it will be removed from the property at the buyer’s expense, allowing a reasonable period of time to find a person buying with the knowledge of the uses and purposes for which it is adaptable and capable of being used, including separate use of serviceable components and scrap, when there is no reasonable prospect of sale except on that basis.

### ***Subsequent Occupant***

A person who has occupied the property being acquired after the Initiation of Negotiations but before the date the property is actually acquired by the Iowa DOT.

### ***Tenant***

A tenant is a person who has the temporary use and occupancy of real property owned by another. (761 IAC Chapter 111.2(29) )

### ***Transfer Ownership of Personal Property***

In some cases the displacee and/or the Iowa DOT may determine acquiring, rather than moving the personal property is in the best interest of all parties. In these cases the displacee shall transfer ownership of the personal property to the Iowa DOT. The transfer may be accomplished using a “Letter of Understanding” as provided in Appendix “or through a “Bill of

## ***Uneconomic Remnant***

The term “uneconomic remnant” refers to the remaining property after a partial acquisition that the Iowa DOT has determined has little or no value or utility to the owner.

## ***Unlawful Occupancy***

Any person who occupies the real property in an unlawful occupancy on the date of the initiation of negotiations is presumed to not be entitled to relocation payments and other assistance. A person is considered to be in an unlawful occupancy if:

- The person received an eviction notice prior to the initiation of negotiations and as a result of that notice is later evicted.
- The Iowa DOT determines the person is a squatter, who is occupying the property without permission of the owner and otherwise has no legal right.
- The person is evicted after the initiation of negotiations for serious or repeated violation of material terms of the lease or occupancy agreement.
- In no event shall the eviction be undertaken for the purpose of evading the obligation to make available the relocation payments or other assistance. The Relocation Supervisor should be consulted prior to denial of relocation assistance and/or advisory services.

## ***Value in Place***

The term “value-in-place” means the amount a prudent purchaser would pay for an item in place. Its value is determined by the use the item contributes to the value of the whole.



## **Chapter Three**

### **Owner Occupied Residences**

State and Federal requirements provide significant benefits for those displaced from their homes as a result of a public project. This chapter will outline what benefits are involved and those that are entitled to receive them.

#### ***Types of Owner Occupants***

The term “dwelling” may be defined as the place of permanent or customary and usual residence of a person, according to local custom or law, including a single-family house; a single family unit in a two-family, multi-family or multi-purpose property; a unit of a condominium or cooperative housing project; a non-housekeeping unit; a mobile home or any other residential unit.

A person is considered to have met the requirement to own a dwelling if the person purchases or holds any of the following interests in real property:

- Fee title, a life estate, a land contract, a 99 year lease or a lease including any options for extension with at least 50 years to run from the date of acquisition; or
- An interest in a cooperative housing project which includes the right to occupy a dwelling; or
- A contract to purchase any of the interests or estates described above; or
- Any other interest, including a partial interest, which, in the judgment of the Iowa DOT is considered as ownership.

There are five general categories of residential occupants:

- Owner-Occupants of 180 days or more.
- Occupants of 90 days, but less than 180 days.
- Occupants of less than 90 days.
- Persons who occupied the property after the Initiation of Negotiations and before the property was acquired by the Iowa DOT.
- Persons who did not occupy the property until after it was acquired by the Iowa DOT. These occupants are not considered displaced under the definition of Displaced Persons.

State and federal requirements classify different types of owner occupied residences according to the length of occupancy. Each group is allowed different levels of benefits as discussed later in this Chapter. A description of each type of ownership has been provided.

- *180-DAY OWNER OCCUPANT* – A person is considered to be in this category and may be eligible for a Replacement Housing Payment (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 Department of Transportation.

For mobile homeowner-occupants, the person both owned the mobile home and occupied it on the site to be acquired for the project at least 180 days immediately prior to the initiation of negotiations for its purchase.

- The maximum RHP for this category is \$22,500 unless Housing of Last Resort provisions apply. Please see 761 IAC 111.401(2). The payment will be the sum of:
  - ❖ The supplemental payment and
  - ❖ The increased mortgage interest costs and other debt service costs incurred in connection with the mortgage of the replacement dwelling, limited to: the remaining balance of the mortgage(s) on the displacement dwelling; 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 a comparable replacement dwelling; or, the actual expenses.

Definitions for Purchase Supplement, Mortgage Interest Differential and Incidental Expenses can be found later in this Chapter.

*Owner Occupants of at Least 90 Days but Less Than 180 Days* – denotes a displaced person who has actually owned and occupied the dwelling to be acquired for the project for at least 90 days but less than 180 days immediately prior to the initiation of negotiations for its purchase.

For mobile homeowner-occupants, the person both owned the mobile home and occupied it on the site to be acquired for the project for at least 90 days but less than 180 days immediately prior to the initiation of negotiations for its purchase.

The RHP available for owner-occupants of less than 180 days is limited to a rental supplement up to a maximum of \$5,250. Please see 761 IAC 111.402(2). Sometimes these payments are not sufficient to meet the objectives of the law and regulations and it is necessary to follow Housing of Last Resort procedures to provide payments. Please see 761 IAC 111.404(1).

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 dwelling for not less than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT and either rents or purchases and occupies a DSS replacement dwelling within one year after:

The date final payment for the displacement dwelling 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 may not exceed \$5,250 unless Housing of Last Resort provisions apply.

The Rental Assistance Payment is based on the difference between the monthly rent and utilities necessary to rent a comparable replacement dwelling, as determined by the Iowa DOT and the monthly rent and utilities for the displacement dwelling. Utilities include heat, electricity, water and sewer.

Computation of the rental assistance payment is completed using the following formula:

- ❖ Monthly rent of the most comparable replacement dwelling plus utilities

MINUS

- ❖ Base monthly rent of the displacement dwelling (Including utilities)

TIMES 42 (months)

- ❖ Equals the maximum rental assistance payment

If \$5,250 is exceeded, Housing of Last Resort provisions will apply. In all cases, the cost of utilities must be included with both the rent of the displacement dwelling and the replacement dwellings when computing the rental assistance payment.

- *LESS THAN 90-DAY OWNER OCCUPANT* – denotes a displaced person who has actually and lawfully occupied the dwelling to be acquired for the project less than 90 days immediately prior to the initiation of negotiations for its purchase. Please note this category includes owners and tenants.

A person is considered to be in this category if the person has actually rented and occupied or owned and occupied the displacement dwelling for less than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT and either rents or purchases and occupies a DSS replacement dwelling within one year after: The date final payment for the displacement dwelling is received, or in the case of a condemnation, the date full amount of the estimate of just compensation is deposited with the sheriff, or the date the displacee is offered comparable replacement housing.

All Replacement Housing Payments to displacee's in this category will be paid under Housing of Last Resort provisions.

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 a 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.

- **SUBSEQUENT OCCUPANTS** – denotes occupants that begin the occupancy after acquisition of the property. Persons who occupied the property after its acquisition by the Iowa DOT will be provided advisory assistance and services if such assistance is needed and is requested in writing.
- **MULTIPLE OCCUPANTS OF ONE DISPLACEMENT DWELLING** - When two or more occupants live together they may be considered a family unit for relocation assistance purposes and one comparable housing study will be prepared and presented to them as a unit. If they elect to move to separate replacement dwellings, each occupant is entitled to a reasonable prorated share, as determined by the Iowa DOT, of any relocation payments that would have been made if the occupants moved together to a comparable replacement dwelling. If the Iowa DOT determines that two or more occupants maintained separate households within the same dwelling, each occupant will have separate entitlement to relocation payments.

All residential displacees except persons occupying the property after it was acquired by the Iowa DOT are entitled to comparable replacement housing, advisory assistance and advisory services.

For specific eligibility requirements and implementation details see 761 IAC 111.401, 111.402, and 111.403. A brief description of eligibility for the different types of ownerships has been provided as a comparison chart.

**Replacement Housing Payment (RHP) Eligibility**

Payment	Max. Amount	180 day Owner -Occupant	90-179 day Owner-Occ	90 day Tenant
RHP for owners	\$22,500	Yes	No	NA
Rental Assistance	\$5,250	Yes*	Yes	Yes
Down payment Assistance	\$5,250	No	Yes	Yes

\*not to exceed RHP

***Replacement Housing***

While displacee’s are entitled to purchase the replacement housing of their choice state and federal requirements provide minimum standards be in place before public funds may be used for participation in the costs.

***Decent, Safe and Sanitary (DSS)***

The definition for DSS is found in 49 CFR Part 24.2 (8) “The term decent, safe, and sanitary dwelling means a dwelling which meets local housing and occupancy codes.” However, any of the following standards which are not met by the local code shall apply unless waived for good cause.

- WATER -The dwelling must have an adequate supply of potable (drinking) water.
- KITCHEN - When considering a housekeeping unit, there shall be a kitchen area containing a fully usable sink properly connected to potable hot and cold water and to a sewage drainage system. There must also be adequate space and utility connections for a stove and refrigerator.
- HEATING SYSTEM – The dwelling must contain a heating system capable of sustaining a healthful temperature of approximately 70 degrees. If the furnace has not been inspected or installed within past 12 months, a furnace inspection by a qualified person is required.
- BATHROOM - The dwelling must have a separate, well-lighted and ventilated bathroom affording privacy to the user, containing a sink, bathtub or shower stall and a toilet. All must be in good working order and properly connected to appropriate sources of water and a sewage system.
- ELECTRICAL SYSTEM - The dwelling's electrical system must have an adequate and safe electrical wiring system for lighting and other electrical services.
- STRUCTURALLY SOUND - The dwelling must be structurally sound, weather-tight and in good repair. Examples: no broken windows; chipped or peeling paint; no major foundation problems; weather proof roof; functional gutters; drainage away from the foundation, etc.
- EGRESS - The dwelling must have a safe, unobstructed means of egress to safe, open space at ground level.
- ADEQUATE IN SIZE - Housing must be adequate in size with respect to the number of rooms, bedrooms and living space needed to accommodate the displacee. The number of persons occupying each room used for sleeping shall not exceed the number permitted by local housings codes, or in the absence of local codes, each sleeping room should contain at least 72 square feet of floor space for the first occupant and at least 68 square feet for each additional occupant. Generally children of different sex should not be required to share bedrooms. Unique situations may be considered on a case by case basis considering the age and sex of adults and children sharing the unit, cultural customs and the appropriateness of sharing bedroom space.
- ACCESSIBLE - For a displacee who is disabled, the dwelling must be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling by such person. Examples: wheelchair ramps, wider doorways, grab bars and special bathing facilities, first floor laundry, etc.
- WARNING & SAFETY DEVICES - The replacement dwelling must have operating smoke alarms, a minimum of one per floor, including the basement, and outside each sleeping area. Steps and stairways must have adequately attached and functioning handrails.

## ***Comparable Replacement Dwelling***

No person may be required to move from a dwelling unless he or she has been offered a comparable replacement dwelling. The Iowa DOT must offer every displaced person at least one comparable replacement dwelling and, if possible, three. The term “comparable replacement dwelling” means a dwelling which is:

- Decent, Safe and Sanitary (DSS)
- Functionally equivalent to the displacement dwelling meaning that it performs the same function, provides the same utility and is generally similar with regard to number of rooms and area of living space. The comparable replacement dwelling need not possess every feature of the displacement dwelling, but the principal features must be present. In determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, reasonable trade-offs may be considered for specific features when the replacement dwelling is equal to or better than the displacement dwelling.
- Adequate in size to accommodate the occupants. It should have similar habitable area.
- In an area not subject to unreasonable adverse environmental conditions.
- In a location generally not less desirable than the displacement dwelling with respect to public utilities, commercial and public facilities and distance to schools and employment.
- On a site that is typical in size for the residential development with normal site improvements. It does not need to include specialized improvements such as swimming pools, greenhouses, over-sized garages, outbuildings, etc.
- Must currently be available to the displacee on the private market. However, the comparable replacement dwelling for a person receiving government housing assistance before displacement should reflect similar government housing assistance.
- Within the financial means of the displacee
- For owners, it is assumed they can afford replacement housing, if they are not required to pay more for the mortgage payment on their replacement dwelling than they paid for the displacement dwelling. The test for the owner-occupant of 180 days or more is that the cost of the comparable replacement dwelling does not exceed the total amount of the acquisition price for the displacement dwelling plus the supplemental housing payment.

## ***Habitable Space***

The enclosed floor space for living, sleeping, cooking or eating purposes with minimum ceiling heights of 7 feet, except in rooms under a sloping ceiling. In those instances at least one half of the floor area must have a ceiling height of 7 feet. Floor area located under the portion of the room where the ceiling height is less than 5 feet may not be counted when computing maximum permissible occupancy. Areas excluded as habitable space include bathrooms, hallways, closets, basements without proper egress and bedrooms that are throughways.

## ***Replacement Housing Payments (RHP)***

Replacement Housing Payments are designed to help eligible displaced persons move into housing which is Decent, Safe and Sanitary (DSS), adequate for their needs and comparable to what they had before the project required their move. These payments are available to residential displaced persons only.

The three basic components of RHPs are Purchase Supplements, Rental Assistance and Down Payment Assistance. Sometimes even these payments are not sufficient to meet the objectives of the law and regulations and it is necessary to provide Housing of Last Resort payments and/or procedures. Please see 761 IAC 111.404(1).

All RHP offers are conditional. In order to receive the maximum amount calculated, the displacee must spend or be legally committed or bound to spend the amount indicated on the offer as the basis for the determination.

Displacees are not required to relocate to housing that will keep them in the same occupancy status. Tenants are eligible for assistance in the purchase of replacement housing and owners are eligible for rental assistance.

Per 761 IAC 111.403(4) No person will be denied eligibility for an RHP solely because the person does not meet the occupancy requirements described, for a reason beyond his or her control including:

- A disaster, emergency, hospital stay, military reserve duty; or
- Another reason such as a delay in the construction of the replacement dwelling.

All RHP categories have specific requirements for eligibility and computation. However, all have a number of features in common.

- *Occupancy* - Payments may only be made to occupants of the dwelling. This means that the dwelling is their usual place of residency or abode. Summer homes are not considered primary residences.
- *Displacement* - Payments may only be made to displaced persons. A displaced person

is one who moved or moved personal property from real property as a direct result of the project. See definition for Displaced Person (Displacee), in Chapter 1 of this manual or 761 IAC 111.2(9).

- *Replacement Housing Standards* - Payments may be made only if the housing to which the displaced person moves meets certain standards. These standards concern size, physical condition, utility and affordability for the displacee. See the discussion of Comparable Replacement Dwelling, Habitable Space and Decent, Safe and Sanitary (DSS) provided earlier in this chapter.
- *Time Limit For Purchase/Rental of Replacement Dwelling* - Payment may be made only if the displacee purchases or rents and occupies the replacement dwelling within one year. (See 111.401 (1)) Claims must be filed with the displacing agency within 18 months. (See 111.207 (4)).

For displaced homeowners the year begins on the later of:

- ❖ The date of displacement or,
  - ❖ The date the displacee receives final payment for the displacement dwelling, or, in the case of a condemnation, the date of the final adjudication by the court.
- *Time Limit For Filing Claims* - Reimbursement may be made only if the displacee files a claim for payment within 18 months of the beginning of the one year period discussed above. The Iowa DOT may waive this limit in extraordinary circumstances. See “Time For Filing Claims” in Chapter 10.
  - *Payment Limited To Actual Cost* - Payments under the RHP are intended to assist displaced persons in obtaining comparable replacement housing and to compensate for the increased housing related costs imposed on them by the project. The payment is limited to the lesser of:
    - ❖ The calculated RHP, or
    - ❖ The amount actually paid for the comparable replacement dwelling.

### ***Purchase Supplement***

The purchase supplement is the difference between the price actually paid by the displaced person for a replacement dwelling and the price paid by the Iowa DOT for the displacement dwelling. The purchase supplement may not exceed the price of a comparable dwelling, which is established in the comparable housing study completed by the advisor. The displacee's may elect to spend amounts in excess of the purchase supplement, but the Iowa DOT's participation is limited to the amount of the purchase supplement,

### ***Determining the Cost of a Comparable Replacement Dwelling***

The upper limit of a purchase supplement is based on the cost of a comparable replacement dwelling. A minimum of one but, three comparable replacement dwellings should be located by the Relocation Advisor so that the addresses and locations can be provided to the displacee. If less than three are available in the local market, the Relocation Advisor should document the extent of the search that was conducted.

If possible, the Comparable replacement dwellings will be selected within the neighborhood from which the person was displaced. When it is not possible to find replacement dwelling within the neighborhood, comparables will be selected from nearby or similar neighborhoods with housing costs that are generally the same or higher than the displacee's former neighborhood.

The purchase supplement payment should be based on the most nearly representative dwelling equal to or better than the displacement dwelling. If at all possible, the Relocation Advisor should include two more listed properties that were considered which are comparable, DSS and not listed at a higher price than the most comparable.

- The study is a document that provides assurance that the Iowa DOT will provide monetary assistance (purchase supplement), if necessary, to the displaced person in order to purchase any of the comparable replacement dwellings listed on the offer.
- The study also provides documentation that more than one comparable replacement property is available in the marketplace for the displacee to purchase for the monies set out in the offer.
- The study also allows the Acquisition Agent to issue the 90 day notice. See Notices in Chapter 1), thus assuring the timely completion of relocation activities prior to the letting of the construction project.

The Relocation Advisor should state the reasons for selecting the most comparable dwelling. An obviously overpriced dwelling should be ignored.

In some cases there may not be suitable properties available for sale. The Relocation Advisor may then determine that in order to provide for comparable replacement housing, Housing of Last Resort is necessary. In these cases the Iowa DOT cannot assure the availability of comparable replacement housing, until the housing is DSS and available for occupancy.

If the Relocation Advisor determines that new construction or rehabilitation of existing housing is necessary, they must be sure to monitor the selection of potential contractors to ensure the displacee's choice of contractor will not cause project delays because of failure to complete the work necessary to make the dwelling DSS.

An example of acceptable new construction is when there is a partial acquisition from a operating farm operation which includes the acquisition of the owner-occupied dwelling.

### ***Adjustments to the Price of the Displacement Dwelling***

If the comparable replacement property lacks a major exterior attribute that the displacement property has, the contributive value of that attribute may be subtracted from the approved appraised value of the residential portion of the property for purposes of calculating the maximum payment.

When locating comparable replacement properties, the Relocation Advisor should make every attempt to locate a comparable that includes all the amenities of the displacement and may consider attributes that the comparable has in offsetting attributes found in the displacement. Examples of such adjustments include lot size, location, street surfacing, swimming pool, decks, patios, etc.

The contribution value of an attribute may be determined from the Elements of Comparison portion of the approved appraisal. In instances where this is not available, the Relocation Supervisor will either consult with the reviewer of the appraisal or consult records of similar adjustments on other properties in order to ascertain the acquisition price of said attribute.

A report documenting the “carve out” or adjustment to the replacement housing payment will be developed by the Relocation Supervisor or the Production Coordinator.

### ***Price Differential or Supplemental Housing Payment***

The price differential is the amount that must be added to the final acquisition price whether it is established through the approved appraised value, negotiated settlement, condemnation or an appeal from condemnation) of the displacement dwelling to provide an amount equal to the LESSER of:

- The reasonable cost of a comparable replacement dwelling as determined by the Iowa DOT or
- The actual purchase of the DSS replacement dwelling actually obtained and occupied by the displacee.

If the displacee is disabled or has some special needs or accommodations that are legitimately necessary for their reasonable enjoyment of the replacement dwelling, those needs should be considered. Because it may be difficult to find properties to accommodate the special needs the reasonable cost of the modifications may be reimbursed in addition to the calculated RHP.

### ***Owner Retention of Displacement Dwelling***

If an owner-occupant retains ownership of the displacement dwelling and moves it from the displacement site, the purchase price of the replacement dwelling will be the sum of:

- The cost of moving and restoring the dwelling to a condition comparable to that prior to the move and,

- The cost of making the dwelling DSS; and,
- The current fair market value (unless the displacee rents the displacement site and there is a reasonable opportunity to rent a suitable replacement site) for residential use of the replacement site; and,
- The retention value of the dwelling, if such retention value is reflected in the acquisition cost used when the supplemental housing payment was calculated.

### ***Calculating Residential Portion***

If the displacement dwelling was a part of a property that was not just a single family residence but contained another dwelling unit, and/or space used for non-residential purposes, and/or is located on a lot that is larger than typical for residential purposes, only the acquisition price that is actually attributable to the displacement dwelling is considered. The acquisition price attributable to the displacement dwelling will be determined by the Relocation Supervisor or designee.

If the displacement property is appraised and acquired based on a highest and best use other than residential, such as vacant commercial, the acquisition price of the residential portion is the per unit price applied to the square footage that is considered to be typical for a residential site.

Example: The displacement dwelling is located on a 30,000 sq.ft. lot. The approved appraisal concludes the highest and best use of the property is as vacant land for commercial development with an estimated value of \$10.00 per sq. ft. or a total value of \$300,000. The approved appraisal concludes the value of the property as improved is \$150,000, and therefore the highest and best use is as vacant land. The residential portion of the property is therefore \$150,000.

The displacement dwelling is on a seven acre tract and includes six outbuildings and valued at \$275,000. After a review of the market the Relocation Advisor finds replacement housing available on one acre tracts with attached garages. A review of the approved appraisal finds land outside in addition to one acre supporting the residence contributes \$10,000 per acre and the outbuildings contribute a total of \$45,000. The residential portion is therefore \$275,000 - \$60,000 (6 acres @ \$10,000) - \$45,000 (contributive value of outbuildings) = \$170,000 representing the residential portion of the displacement property.

A displaced person is considered to have purchased a replacement dwelling if the person:

- purchases a dwelling considered as DSS compliant or
- Purchases and rehabilitates a non-DSS dwelling to DSS standards or
- Moves and establishes a DSS dwelling that he or she owns or purchases; or
- Constructs a DSS dwelling on a site he or she owns or purchases or

- Contracts for the purchase or construction of a DSS dwelling on a site provided by a builder or on a site the person owns or purchases; or
- Currently owns a previously purchased DSS dwelling and site. The valuation will be based on its current fair market value. It is not necessary to obtain an appraisal as long as the determination is made on a reasonable basis. The Relocation Supervisor should be consulted for the basis on which fair market value will be determined.

### ***Calculating Benefits for Partial Owners***

If a partial owner is the occupant of the property, the calculation of the supplemental housing payment is somewhat different.

Example: An occupant has a one quarter interest in a dwelling with an appraised value of \$60,000. The comparable replacement study indicates housing is available for \$70,000.

The occupant is eligible for a maximum supplemental housing payment of \$10,000. In order to qualify for the maximum payment, the occupant must spend his or her share of the acquisition price of the displacement dwelling (\$15,000) plus at least \$10,000, or \$25,000 for DSS housing, and must actually occupy it.

If the supplemental housing payment is not sufficient to allow the displacee to purchase replacement housing, the displacee may need to be considered as a tenant for displacement purposes. The Iowa DOT does not have the obligation to provide higher supplemental housing payments for the sole purpose of making the displacee a sole owner of replacement housing.

### ***Mortgage Increase Differential Payment (MIDP)***

A mortgage is a lien commonly given to secure advances on the unpaid purchase price of real property, and any credit instruments secured by it. For relocation purposes, real estate contracts are considered to be mortgages.

A mortgage differential payment is intended to compensate the displaced owner-occupant for increased interest costs which they are required to pay for financing the replacement property. The mortgage on the displacement dwelling must have been a bona fide and valid lien in existence for at least 180 days prior to the initiation of negotiations. More than one qualifying mortgage may be considered.

This payment computation is based on the unpaid balance of the existing mortgage on the displacement dwelling, the remaining term and the current prevailing interest rate charged by lending institutions in the area of the comparable replacement dwelling used in the housing study. If there is more than one mortgage outstanding on the displacement dwelling, a separate computation will be required for each mortgage. See 761 IAC 111.401(4) for further details.

The payment for increased mortgage interest cost shall be the amount which will reduce the mortgage balance on a new mortgage to an amount which could be amortized with the same monthly payment (principal and interest) as that for the mortgage(s) on the displacement dwelling. See 761 IAC 111.401(4)

In the case of a home equity loan, the unpaid balance shall be the balance which existed 180 days prior to the initiation of negotiations or the balance on the date of acquisition, whichever is less. If the displacee obtains a smaller mortgage or a mortgage for a lesser term than the one on the displacement dwelling, the payment will be reduced accordingly. This payment should be made available at or near the time of closing on the replacement dwelling in order to reduce the new mortgage.

The Relocation Advisor should attempt to obtain the necessary information on the displacee's current mortgage, if any, during the first personal contact. In preparation for the first visit, the Relocation Advisor could review the Record of Ownership and Liens (in Records Center) to ascertain recorded mortgages. The displacee may consider this information to be very personal and may refuse to divulge it until they have an understanding of its purpose and possible benefit to them. Further explanation should alleviate their concerns.

The information needed for any computation includes the unpaid balance of the mortgage, the interest rate, the monthly payment (principal and interest only) and the remaining term in months or years. While the displacee's may not have the exact figures, with the displacee's permission, the advisor should be able to contact the mortgage holder for a copy of the information needed. Generally, it is necessary for the displacee to provide an account number for reference to the lender.

Once the information on the existing mortgage and prevailing mortgage terms are known the Relocation Advisor can then prepare an estimated MIDP for presentation to the displacee. When the information on both the displacement and replacement is available, an actual payment can be calculated. It is important to have this information far enough ahead of the closing on the replacement dwelling so that the displacee will be able to know how much financing they will need.

It may be necessary to establish an escrow agreement with the finance or lending institution that will handle the closing on the replacement so that any last minute changes will not cause a delay in payment.

Purchaser's points and loan origination or assumption fees, but not seller's points, shall be paid to the extent:

- They are not paid as incidental expenses;
- They do not exceed rates normal to similar real estate transactions in the area;
- The Iowa DOT determines them to be necessary;
- The computation of these points will be based on the unpaid mortgage balance on the

displacement dwelling less the amount determined for reduction of the mortgage balance under this section.

This payment is not available to the displacee if:

- There is no mortgage on the displacement dwelling; or
- The interest rate obtained on the mortgage for the replacement dwelling is less than the interest rate on the displacement dwelling.

Specific instructions, definitions and a calculation form are located in the Appendix.

## ***Procedure***

The payment for increased mortgage interest cost shall be the amount which will reduce the mortgage balance on a new mortgage to an amount which could be amortized with the same monthly payment (principal and interest) as that for the mortgage on the displacement dwelling. In order to calculate the mortgage buy down, the Relocation Advisor will need the following information:

- Balance of the existing mortgage.
- Interest rate of the existing mortgage.
- Monthly payment of the existing mortgage - If the term of the new mortgage is the same or greater than the term of the existing mortgage, use the monthly payment of the existing mortgage to compute the number of months actually necessary to pay off the existing mortgage.
- Amount of the new mortgage. The actual amount of the new mortgage is only a concern if it is less than the amount needed to be financed to maintain the old or existing mortgage.
- Interest rate of the new mortgage.
- Term of the new mortgage. If the term of the new mortgage is less than the term of the existing mortgage, use the term of the new mortgage to compute the monthly payment necessary to pay off the existing mortgage using the shorter term. (Hypothetical Monthly Payment).
- Points on the new mortgage the payment computation is limited to the balance and remaining term of the existing mortgage. If the new mortgage is in a lesser amount or for a shorter term than the existing mortgage, the payment will be reduced accordingly.

## **Calculate the Mortgage Interest Differential Interest Payment (MIDP)**

The following is an example of the method used to calculate the MIDP.

Remaining principal balance	\$50,000.00
Present monthly payment	\$ 458.22
Present interest rate	7%
Remaining term	174 months
New interest rate	10%
Points needed to secure prevailing rate	3
Term of new mortgage	180 months

Using a financial calculator the following data may be entered.

Monthly payment	\$ 458.22
New interest	10% (10/12 = 0.833)
Term of mortgage (lessor of remaining term -174 months Or new term – 180 months)	174 months
Amount to be financed to keep the same monthly payment (Present Value) or Amount of new mortgage	\$42,360.58

The MIDP can now be calculated as follows.

Remaining principal balance	\$50,000.00
Amount of new mortgage	less \$42,360.58
Increased mortgage interest costs	\$ 7,639.42
3 points needed = 0.03 X 42,360.58 =	\$ 1,270.81
Total buy down necessary to maintain present \$458.22 monthly payment or MIDP	<b>\$ 8,910.23</b>

## **When New Mortgage is Smaller than the Calculated Replacement Mortgage**

If the displacee elects to obtain a mortgage smaller than the calculated replacement mortgage, the payment must be prorated per 761 IAC 111.104(4) Appendix A Subpart E. To calculate the prorated benefit divide the actual mortgage by the calculated replacement mortgage.

Using the amounts provided in the previous example the prorating calculation is demonstrated as follows.

Estimated new mortgage	\$42,460.58
Actual mortgage borrowed	\$35,000.00
Calculation for proration $35,000/42,460.58 =$	0.8262 (prorate %)
Estimated MIDP	\$ 8,910.23
Prorated factor 0.8262 X 8,910.23 = actual MIDP	<b>\$ 7,361.98</b>

## ***When the New Mortgage has a Shorter Term than the Old Mortgage***

If the displacee elects to obtain a mortgage for a shorter term than the remaining term of the old mortgage, it is necessary to compute a hypothetical monthly payment for the old mortgage at the old interest rate, but at the shorter term of the new mortgage. This hypothetical monthly payment will be larger than the actual payment on the old mortgage because of the shorter term.

Example:

Existing Mortgage Balance:	\$50,000.00
Interest Rate:	7.00%
Monthly Payment:	\$ 458.22
Remaining Term:	168 Months
New Mortgage: Term:	120 Months
Interest Rate: 10.00% plus 3 points	

- Step 1 - Compute the hypothetical monthly payment for the old mortgage based on a 120 month term.

Enter Remaining Balance:	\$50,000.00
Enter Old Interest Rate:	7.00%
Enter New Term:	120 months
Compute Hypothetical Payment: PMT	\$ 577.17

- Step 2 - Compute a calculated replacement mortgage using the hypothetical monthly payment, the new interest rate and new term.

Enter New Interest Rate:	10.00%
Enter New Term:	120 months
Enter Hypothetical Payment: PMT	\$ 557.17
Compute Replacement Mortgage	\$44,039.08

- Step 3 - Calculate the difference between the remaining balance of the old mortgage and the calculated replacement mortgage to determine the buy down amount. Adding in the points will give you the M.I.D.P.

Existing Mortgage Balance:		\$50,000.00
less Calculated Replacement Mortgage:	less	\$44,039.08
Difference:		\$ 5,960.92
plus Points (44,039.08 x.03)		\$ 1,321.17
<b>M. I. D. P.</b>		<b>\$ 7,282.09</b>

## ***When New Mortgage is Smaller and has Shorter Term than the Old Mortgage***

A different computation is made, if the new mortgage is both smaller and for a shorter term. Using the old mortgage figures cited earlier, with a new mortgage for \$35,000.00, a term of 120 months and interest rate of 10 %, the calculated replacement mortgage as computed in the preceding example is divided into the smaller mortgage. The resulting prorating percentage is multiplied by the estimated MIDP from the preceding example to determine the MIDP for this category.

Estimated new mortgage	\$44,039.08
Actual mortgage borrowed	\$35,000.00
Calculation for proration $35,000/44,039.08 =$	0.7947 (prorate %)
Estimated MIDP	\$ 7,282.09
<b><u>Prorated factor 0.7947 X 7,282.09 = actual MIDP</u></b>	<b><u>\$ 5,787.43</u></b>

## ***Estimating the MIDP Based on Prevailing Interest Rates***

The initial or estimated MIDP computation is based on data for mortgages available at the time the Replacement Housing Payment (RHP) is computed and one of the prevailing fixed rate interest rates (including points) for conventional mortgages in the area. Rates for terms of mortgages that are at least as long as the remaining term of the old mortgage should be used.

Example:

Existing Mortgage Balance:	\$ 50,000.00
Interest Rate:	7.00 %
Term:	174 mos.
Monthly Payment:	\$ 458.22

The Relocation Advisor researches the availability of conventional mortgages and finds the following rates are available for 15 year mortgages:

- 10.00 % with 0 points
- 9.50 % with 1 points
- 9.00 % with 3 point

The computed MIDP for each of these rates is as follows:

Mortgage Financed

Balance less Amount = Buy down + Point = MIDP

10%-0pt	\$50,000.00 - \$42,360.58 = \$7,639.42 + 0 =	\$7,639.22
9.5%-1pt	\$50,000.00 - \$43,545.12 = \$6,454.88 + \$435.45 =	\$6,890.33
9%-3pts	\$50,000.00 - \$44,780.92 = \$5,219.08 + \$1,343.42 =	\$6,562.50

In this instance, the prevailing interest rate that will provide maintenance of monthly payments of \$458.22 at the least cost 9% interest with 3 points.

The Relocation Advisor would then inform the displacee they are eligible for a payment of \$6,562.50 for the MIDP, based on the current mortgage rate of 9% interest plus 3 points, if a new mortgage is obtained in an amount of at least \$44,780.92 and for at least 174 months.

However, since all three rates were considered to be prevailing rates, the displacee may choose any of the three rates and the Iowa DOT is obligated to make payment. If the combination of interest and points for the new mortgage exceeds the current prevailing fixed interest rate and points for conventional mortgages and there is no justification for the excessive rate, then the current prevailing fixed interest rate and points shall be used in the computations.

### ***Exceptions to the Prevailing Interest Rate***

There are instances when the displacee cannot become eligible for the prevailing interest rate because of the amount of the new mortgage, credit difficulties or some other reason. In these cases, the file should be documented and the computation of the MIDP will be based on the mortgage interest rate that the displacee can qualify for and obtains.

### ***Incidental Expenses***

Reimbursement may be made for the actual and reasonable expenses incurred by the displacee in the purchase of a replacement dwelling and customarily paid by the buyer. Eligible expenses include:

- Legal, closing and related expenses, including title search, preparation of conveyance instruments, notary fees, preparation of surveys and plats and recording fees
- Lender, loan application fees and appraisal fees
- FHA mortgage insurance fees
- Loan origination or assumption fees that do not represent prepaid interest. Limited to the balance of the existing mortgage of the owner-occupied dwelling.
- Certification of structural soundness, radon and termite inspection if required or customary in the community
- Whole house inspections
- Credit report
- Escrow agent's fee

See 761 IAC 111.401(5) for further details.

## ***Payment After Death***

A RHP is personal to the displaced person and upon his or her death, the undisbursed portion of any RHP shall not be paid to the heirs or assigns, except that:

- The amount attributable to the displacee's period of actual occupancy of the replacement dwelling will be paid. Typically, this would only occur in the case of last resort supplemental rental payments made in installments;
- Full payment will be disbursed, if the other members of the displacee's family continue to occupy the DSS replacement dwelling. If the family elects to move to a different replacement dwelling, the Relocation Supervisor will be consulted to determine what payments may be appropriate;
- Any portion of an RHP that is necessary to satisfy a legal obligation of an estate in connection with the selection of a replacement dwelling by, or on behalf of, a deceased displacee will be made to the estate.

## ***Removal of Barriers***

The removal of barriers or the addition to or the rehabilitation of an existing dwelling to assist the elderly or those displacee's with special needs is sometimes necessary. The cost of these features may be added to the purchase price of the replacement dwelling. It is preferable for the Relocation Advisor to obtain two estimates, if possible, in order to ascertain the reasonable cost to make the adaptations necessary. Examples of these adaptations include, ramps or lifts, wider doors, first floor laundry, garage openers, special commodes (or, "toilets") and/or showers, lower counters, special features for the hearing impaired, etc.

In the case of new construction any adaptations necessary should be considered in the original estimate, since it is generally more cost effective to add these features during construction.

In some circumstances, when the person is displaced from a very large or substandard dwelling, a RHP based on different space and physical characteristics than the displacement, is possible. Smaller, better quality replacement housing that is DSS and is adequate in size to accommodate the displacee's may be used. However, the housing must be functionally equivalent to the displacement dwelling.

## ***Recalculating Supplemental Housing Payments***

Supplemental housing payments are conditional and subject to recalculation. The initial determination and offer are based on the approved appraised value of the displacement dwelling and available comparable replacement dwelling at the time of the study. In the event the compensation for the residential portion changes, through either administrative settlement or eminent domain proceedings, the amount of the supplemental payment may change.

In the event that the determination made by a compensation commission is appealed to

District Court, a significant delay may ensue. If the displacee opts to move prior to final adjudication, the displacee will be required to sign an agreement (similar to the Replacement Housing and Possession Agreement) will require the displacee to refund any part of the supplemental housing payment for which they are not eligible, based on the final adjudicated residential value as determined by the Court.

### ***Rental Assistance Payment***

An owner-occupant of 180 days or more, who could be eligible for a supplemental housing payment to purchase replacement housing, instead, elects to rent a replacement dwelling, is eligible for a rental supplement. The amount of the rental supplement payment is based on a determination of market rent for the acquired dwelling compared to a comparable rental dwelling available on the market. The difference, if any, is computed and disbursed in accordance with the procedures for tenant occupants of 90 days or more, except the limit of \$5,250 does not apply. Under no circumstances would the rental assistance payment exceed the amount that could have been received had the 180 day homeowner elected to purchase and occupy a comparable replacement dwelling.

The computed supplemental housing payment, increased interest and incidental costs for purchasing replacement housing exceeding \$22,500, demonstrates the need for Housing of Last Resort provisions. Thus, the rental supplement may exceed the \$5,250, but in no event can it exceed the amount computed for the purchase of replacement housing.

## **Chapter Three Overview**

- There are different types of ownership and interests in property. Eligibility for benefits is determined by the type and length of ownership.
- Comparable Housing must be available before the displaced can be required to move from their dwelling. Comparable housing at a minimum must be considered:
  - ❖ Decent Safe and Sanitary (DSS)
  - ❖ Provide comparable habitable space.
  - ❖ Currently available and affordable.
- Replacement Housing Payment is an overall payment that includes:
  - ❖ Price Differential (or Purchase Supplement)
  - ❖ Increased interest costs (or Mortgage Differential)
  - ❖ Incidental costs including closing costs and necessary inspections of the replacement.
- Price Differential (or Purchase Supplement) is the difference between the amount paid for the property being acquired and the amount paid by the displacee for their replacement dwelling. (Subject to limitations)
- If the owners elect to retain their dwelling and move the building, they may still be eligible for relocation benefits.
- Sometimes land is acquired in excess of the residential portion. In those cases a calculation of the residential portion is required.
- When the displacee purchases their replacement dwelling, specific steps must be taken to secure Iowa DOT participation.

In some cases the displacee may only possess a partial ownership in the property. The benefits for a partial owner must be calculated differently.

A mortgage differential payment is intended to compensate the displaced owner-occupant for increased interest costs which they are required to pay for financing the replacement property.



## **Chapter Four** **Tenant Occupied Residences**

State and federal requirements provide significant benefits for tenants displaced from their homes as a result of a public project.

### ***Types of Tenant Occupants***

The term “dwelling” may be defined as the place of permanent or customary and usual residence of a person, according to local custom or law, including a single-family house; a single family unit in a two-family, multi-family or multi-purpose property; a unit of a condominium or cooperative housing project; a non-housekeeping unit; a mobile home or any other residential unit.

There are four general categories of residential tenants:

- Tenant Occupants of 90 days or more.
- Tenant Occupants of less than 90 days.
- A tenant, who occupied the property after the Initiation of Negotiations and before it was acquired by the Iowa DOT, are also referred to as Subsequent Tenants.
- Persons who did not occupy the property until after it was acquired by the Iowa DOT. These occupants are not considered displaced under the definition of Displaced Persons.

### ***Tenant 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 dwelling for more than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT and either rents or purchases and occupies a DSS replacement dwelling within one year after the date they move from the displacement dwelling.

### ***Tenant Occupants of Less Than 90 Days and/or Subsequent Tenants***

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

All Replacement Housing Payments to displacee’s in this category will be paid under Housing of Last Resort provisions. (See Housing of Last Resort Chapter)

For this category the procedures and requirements are the same as for tenants of more than 90 days, except if there is comparable, DSS replacement housing available within the

displacee's financial means the displacee is not eligible for a rental supplemental payment.

A comparison of a tenant occupant of 90 days or more and a tenant occupant of less than 90 days has been provided.

- If comparable, DSS replacement housing is available within the displacee's financial means, the displacee is not eligible for a rental supplemental payment.
- If the tenant of less than 90 days refuses to provide evidence of their total income or is a dependent, they are assumed to have met the financial means test and are not eligible for a rent supplemental payment.
- The tenant will still be eligible for reimbursement of their moving costs because there is no length of occupancy requirements for moving costs.
- Displaced Tenant occupants of 90 days or more are eligible for down payment assistance. See discussion in this Chapter for requirements.

### ***After Acquisition Occupants***

Iowa Code 306.38 authorizes the Iowa DOT to rent properties after the acquisition by the State and before it is needed for the public project. These occupants are not considered to be Displaced Persons. Per 761 IAC 111.2(9)(c)(ii).

### ***Replacement Housing***

While displacee's are entitled to rent or purchase the replacement housing of their choice, state and federal requirements provide minimum standards be in place before public funds may be used for participation in the costs.

### ***Decent, Safe and Sanitary (DSS)***

The definition for DSS is found in 49 CFR Part 24.2 (8) "The term decent, safe, and sanitary dwelling means a dwelling which meets local housing and occupancy codes." However, any of the following standards which are not met by the local code shall apply, unless waived for good cause.

- WATER -The dwelling must have an adequate supply of potable (drinking) water.
- KITCHEN - In the case of a housekeeping unit, there shall be a kitchen area containing a fully usable sink properly connected to potable hot and cold water and to a sewage drainage system. There must also be adequate space and utility connections for a stove and refrigerator.
- HEATING SYSTEM – The dwelling must contain a heating system capable of sustaining a healthful temperature of approximately 70 degrees. If the furnace was not inspected or installed within past 12 months, a furnace inspection by a qualified person

is required.

- BATHROOM - The property must have a separate, well-lighted and ventilated bathroom affording privacy to the user, containing a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and a sewage system.
- ELECTRICAL SYSTEM - The dwelling's electrical system must have an adequate and safe electrical wiring system for lighting and other electrical services.
- STRUCTURALLY SOUND - The replacement dwelling must be structurally sound, weather-tight and in good repair. Examples: no broken windows; chipped or peeling paint; no major foundation problems; weather proof roof; functional gutters; drainage away from the foundation, etc.
- EGRESS - The dwelling must have a safe, unobstructed means of egress to safe, open space at ground level.
- ADEQUATE IN SIZE - Replacement Housing must be adequate in size with respect to the number of rooms, bedrooms and living space needed to accommodate the displacee. The number of persons occupying each room used for sleeping shall not exceed the number permitted by local housings codes, or in the absence of local codes, each sleeping room should contain at least 72 square feet of floor space for the first occupant and at least 68 square feet for each additional occupant. Generally children of different sex should not be required to share bedrooms. Unique situations may be considered on a case by case basis considering the age and sex of adults and children sharing the unit, cultural customs and the appropriateness of sharing bedroom space.
- ACCESSIBLE - For a displacee who is disabled, the dwelling must be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling by such person. Examples: wheelchair ramps, wider doorways, grab bars and special bathing facilities, first floor laundry, etc.
- WARNING & SAFETY DEVICES - The replacement dwelling must have operating smoke alarms, a minimum of one per floor, including the basement, and outside each sleeping area. Steps and stairways must have adequately attached and functioning handrails.

### ***Comparable Replacement Dwelling***

No person may be required to move from a dwelling unless they have been offered a comparable replacement dwelling. The Iowa DOT must offer every displaced person at least one comparable replacement dwelling and, if possible, three. The term "comparable replacement dwelling" means a dwelling which is:

- Decent, Safe and Sanitary (DSS)

- Functionally equivalent to the displacement dwelling the comparable replacement dwelling performs the same function, provides the same utility and is generally similar with regard to number of rooms and area of living space. The comparable replacement dwelling need not possess every feature of the displacement dwelling, but the principal features must be present. In determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, reasonable trade-offs maybe considered for specific features when the replacement dwelling is equal to or better than the displacement dwelling.
- Adequate in size to accommodate the occupants. It should have similar habitable area.
- In an area not subject to unreasonable adverse environmental conditions.
- In a location generally not less desirable than the displacement dwelling with respect to public utilities, commercial and public facilities and distance to schools and employment.
- On a site that is typical in size for the residential development with normal site improvements. It does not need to include specialized improvements such as swimming pools, greenhouses, over-sized garages, outbuildings, etc.
- Must currently be available to the displacee on the private market. However, the comparable replacement dwelling for a person receiving government housing assistance before displacement should reflect similar government housing assistance.
- For tenants, the assumption is that they should not pay more than 30% of gross income for rent and utilities. The test for tenants of 90 days or more or short-term owner-occupants is that the monthly rent plus utilities for the replacement dwelling does not exceed the base monthly rent (the lesser of the actual average rent including utilities or 30% of the displaced person's gross monthly income if the amount is classified as "low income" by the U.S. Department of Housing and Urban Development's Annual Survey of Income Limits for the Public Housing and Section 8 Programs) at the displacement dwelling plus the amount of the rental assistance payment. For any displaced persons with income exceeding the survey's "low income" limits, or for the person's refusing to provide appropriate evidence of income or for dependents, the base monthly rental shall be determined solely on the actual average rent plus utilities of displacement dwelling.
- All residential displacee's, except persons occupying the property after it was acquired by the Iowa DOT, are entitled to comparable replacement housing, advisory assistance.

## ***Habitable Space***

Habitable Space is the enclosed floor space for living, sleeping, cooking or eating purposes with minimum ceiling heights of 7 feet, except in rooms under a sloping ceiling. In those

instances at least one half of the floor area must have a ceiling height of 7 feet. Floor area located under the portion of the room, where the ceiling height is less than 5 feet, may not be counted when computing maximum permissible occupancy. Areas excluded as habitable space include bathrooms, hallways, closets, basements without proper egress and bedrooms that are throughways.

## ***Replacement Housing Payments (RHP)***

These payments are designed to help eligible displaced persons to move into housing which is Decent, Safe and Sanitary (DSS), adequate for their needs and comparable to the living conditions before the project required their move. These payments are available to residential displaced persons only.

There are three basic components of RHPs: Purchase Supplements, Rental Assistance and Down payment Assistance. Sometimes even these payments are not sufficient to meet the objectives of the law and regulations and it is necessary to provide last resort housing payments and/or procedures. Please see 761 IAC 111.404(1).

All RHP offers are conditional. In order to receive the maximum amount calculated, the displacee must spend the amount indicated on the offer as the basis for the determination.

Displacees are not required to relocate to housing that will keep them in the same occupancy status. Tenants are eligible for assistance in the purchase of replacement housing and owners are eligible for rental assistance.

Per 761 IAC 111.403(4) No person will be denied eligibility for an RHP solely because the person does not meet the occupancy requirements described, for a reason beyond his or her control, including:

- A disaster, emergency, hospital stay, military reserve duty; or
- Another reason such as a delay in the construction of the replacement dwelling.

All Replacement Housing Payment categories have specific requirements for eligibility and computation. However, all have a number of features in common.

- *Occupancy* - Payments may only be made to occupants of the dwelling. This means that the dwelling is their usual place of residency or abode. Summer homes are not considered primary residences.
- *Displacement* - Payments may only be made to displaced persons. A displaced person is one who moved or moved personal property from real property as a direct result of the project. See definition for Displaced Person (Displacee), in Chapter 1 of this manual or 761 IAC 111.2(9).
- *Replacement Housing Standards* - Payments may be made only, if the housing to

which the displaced person moves, meets certain standards. These standards consider size, physical condition, utility and affordability for the displacee. See the discussion of Comparable Replacement Dwelling, Habitable Space, and Decent, Safe and Sanitary (DSS) provided earlier in this chapter.

- *Time Limit For Purchase/Rental of Replacement Dwelling* - Payment may be made only if the displacee purchases or rents and occupies the replacement dwelling within one year.

### ***Maximum Rental Supplement***

The maximum rental supplement for eligible tenants may not exceed \$5,250 unless Housing of Last Resort provisions apply. (See Housing of Last Resort Chapter)

This payment is based on the difference between the monthly rent and utilities necessary to rent a comparable replacement dwelling, as determined by the Iowa DOT, and the monthly rent and utilities for the displacement dwelling. Utilities include heat, electricity, water and sewer. Computation of the rental supplement is completed using the following formula:

*Monthly rent of a comparable replacement dwelling plus utilities based on local housing guidelines*

*MINUS*

*Base monthly rent of the displacement dwelling (Including utilities)*

*TIMES 42 (months)*

*Equals the maximum rental assistance payment*

If \$5,250 is exceeded, Housing of Last Resort provisions will apply. In all cases, the cost of utilities must be included with both the rent of the displacement dwelling and the replacement dwellings, when computing the rental assistance payment.

### ***Base Monthly Rent***

Base monthly rent is the lesser of:

- The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement. Reasonable period of time is considered to be six months because of the diversity of weather in Iowa.
- For a tenant, who paid little or no rent for the displacement dwelling, the fair market rent should be used, unless it would result in a hardship because of the displacee's income or other circumstances.
- Thirty (30) percent of the displaced person's gross monthly income, if the amount is

classified as “low income” by the U.S. Department of Housing and Urban Development’s Annual Survey of Income Limits for the Public Housing and Section 8 Programs.

- The total of the amounts designated for shelter and utilities, if the displacee is receiving a welfare assistance payment from a program that designates the amounts for shelter and utilities.

If the displacee refuses to provide evidence of their total income, is a dependent or their income exceeds the “low income” limits, the base monthly rental is assumed to be the average monthly cost for rent and utilities as discussed above.

A full time student or resident of an institution is assumed to be a dependent, unless they demonstrate otherwise.

### ***Determining the Rental Cost of a Replacement Dwelling***

Comparable replacement dwellings should be selected from the neighborhood from which the person was displaced. When that is not possible, comparables will be selected from nearby or similar neighborhoods with similar or better amenities than the displacee’s former neighborhood. See discussion of Comparable Replacement Dwelling, Chapter 3.

Finding comparably located rural rentals can present difficulties because typically fewer units are available which meet DSS requirements. In Iowa, the trend is the merging of agricultural units into larger, more efficient operations. Many times the existence of a residential dwelling on a tract is considered a detriment and removed rather than rented. In certain instances, a rural residence may be compared to one in a small town. Amenities that are important to the displacee must be considered, when searching for comparable replacement dwellings.

Three comparable replacement dwellings should be located by the Relocation Advisor so that the addresses and locations can be provided to the displacee. If less than three are available in the local market, the Relocation Advisor should document the extent of the search that was conducted for comparable housing.

The payment should be based on the most nearly representative dwelling that is equal to or better than the displacement dwelling. If at all possible, the Relocation Advisor should include two more listed properties that were considered as comparable, DSS and not listed at a higher rent than the most comparable.

The study is documentation needed for the Iowa DOT to provide monetary assistance (rental supplement), if necessary, to the displaced person in order to rent any of the comparable replacements listed on the offer.

- The study is also documentation that more than one comparable replacement property is available in the marketplace for the displacee to rent for the amount set out in the offer.

- The study allows the acquisition agent to issue the 90 day notice (See Notices in Chapter 2), thus assuring the timely completion of relocation activities prior to the letting of the construction project.

The Relocation Advisor should state the reasons for selecting the most comparable dwelling. An obviously overpriced rental should be ignored.

***Determining the Approved Rental Supplement***

The approved rental supplement paid is based on the actual rent paid on the DSS replacement dwelling actually occupied by the displacee.

Example:

Monthly Rent & Utilities In Study:		\$ 600.00
less Base Monthly Rent & Utilities:	-	\$ 500.00
Difference:		\$ 100.00
Times 42 months = Rental Supplement of:		\$4,200.00

If the rent and utilities of the replacement dwelling are less than the amount shown in the comparable replacement housing study, the payment will be reduced accordingly.

Example:

Monthly Rent & Utilities In Study:		\$ 600.00
Actual Monthly Rent & Utilities of Replacement:		\$ 550.00
Difference:		\$ 50.00
Times 42 months = Rental Supplement of:		\$2,100.00

If low income is considered and the displacee had a gross monthly income of \$1,200 per month, the application of the Financial Means Test (See Page 19) based on HUD low income guidelines indicates that the displacee should spend no more than 30% of their gross monthly income for their housing needs. Therefore, the base monthly rent is \$360.00, and the calculation is as follows:

Example:

Monthly Rent & Utilities In Study:	\$ 600.00
Less Base Monthly Rent:	- 360.00
Difference:	\$ 240.00
Times 42 months = Rental Supplement of:	\$10,080.00

***Down Payment Assistance***

Rather than continue to rent, a residential tenant displacee may decide to purchase replacement housing, and it is the policy of the Iowa DOT to encourage home ownership if it is a viable alternative for the displacee. It is not necessary for the Relocation Advisor to locate

comparables for the displacee to purchase, only to compute and advise the tenant of the potential rental supplement discussed earlier.

If the displacee elects to purchase replacement housing, they are eligible to receive the calculated rental supplemental payment plus incidental expenses, except that no extraordinary loan origination fees or points will be allowed that would allow the person to obtain a mortgage at lower than typical interest rates. In other words, points that would in effect buy down interest rates will not be reimbursed.

The full amount of down payment assistance must actually be applied to the purchase price. The displacee may not use these funds for other purposes. A commitment to spend is not sufficient.

If a tenant residential displacee had a calculated rental supplemental payment of less than \$5,250 and opts to purchase replacement housing the amount of down payment assistance will be raised to \$5,250 plus incidental expenses. The Iowa DOT (and other acquiring agencies) are authorized this option in 761 IAC 111.402(3)(a).

Reimbursement may be made for the actual and reasonable expenses incurred by the displacee in the purchase of a replacement dwelling and customarily paid by the buyer. These payments may be made at the Iowa DOT's discretion per 761 IAC 111.402(3)(a). Eligible expenses include:

- Legal, closing and related expenses, including title search, preparation of conveyance instruments, notary fees, preparation of surveys and plats and recording fees
- Lender, loan application fees and appraisal fees
- FHA mortgage insurance fees
- Loan origination or assumption fees that do not represent prepaid interest.
- Radon and termite inspection, or other inspection if required or customary in the community.
- Whole house inspections
- Credit report
- Escrow agent's fee

See 761 IAC 111.401(5) for further details.

### ***Conversion of Payment***

A displaced person who initially rents replacement housing and receives a rental assistance

payment may change his or her mind and purchase replacement housing. This can be done within one year of moving from the displacement dwelling.

In the event that the person does opt to purchase replacement housing, any rental assistance that has been paid to them will be deducted from the calculated rental supplement. This applies only to displacee's who:

- Have been receiving their rental supplemental payments in installments; or
- Did not rent replacement housing utilizing the full amount of the calculated rental supplement. For example, the rent and utilities was calculated at \$700 per month and the displacee rented a dwelling for \$650 per month.
- Received the full amount of the rental supplemental payment and it was less than \$5,250. See Down payment Assistance, below.

### ***Preventing Subsequent Occupancy***

Displaced tenants may move prior to the Iowa DOT acquiring the property and receiving possession from the owner of the property. In these instances, it is desirable to acquire the owner's right to rent the property in order to prevent having to relocate a subsequent tenant (tenant of less than 90 days). The Iowa DOT will reduce potential exposure to increased relocation costs and the owner will not suffer a loss in rental income before surrendering of the property.

Tenants are ordinarily encouraged to remain in occupancy of the property until possession is given by the owner. However, after receiving the Offer of Relocation Assistance the tenant is eligible for benefits or when there is a scarcity of available rentals, the tenant may elect to move so that they can get on with their lives.

The Relocation Advisor will bring these situations to the attention of the Relocation Supervisor and/or Production Coordinator and will discuss current rental terms and conditions in order to arrive at a fair amount to offer to the owner for the owner's right to rent to subsequent tenants. Generally this amount is the current rental. The agreement should stipulate that the owner pay utilities, or disconnect if the property is vacant, and to ensure that the integrity of the property remains intact prior to surrendering possession.

If the tenant has been given a "Notice of Intent to Acquire" and vacates the property prior to the initiation of negotiations, the Relocation Advisor should contact the landlord and execute a "Keep Vacant Agreement". See Appendix for sample form.

## **Chapter Four Overview**

- The Relocation Advisor must identify the type and length of tenancy to determine the eligible benefits.
- Replacement Housing must be available before the displaced can be required to move from their dwelling. Replacement housing to be considered must be:
  - ❖ Decent Safe and Sanitary (DSS)
  - ❖ Be considered as comparable replacement housing.
  - ❖ Provide comparable habitable space.
- Displaced tenants are eligible for replacement housing payments (RHP's). The RHP is calculated based on:
  - ❖ Maximum Rental Supplement
  - ❖ Base Monthly Rent
  - ❖ Determining Replacement Cost of Rental Housing
  - ❖ Determining Approved Rental Supplement
- The benefits may include:
  - ❖ Down Payment Assistance
  - ❖ Conversion Payment
- It is in the best public interest to avoid subsequent occupancy. The Relocation Advisor should pursue efforts to avoid these additional costs.



## **Chapter Five** **Housing of Last Resort**

Housing of Last Resort allows the use of payments in excess of statutory maximums or the use of other unusual methods of providing comparable housing. Authorization for Housing of Last Resort may be found in 761 IAC 111.404. Examples include:

- payments in excess of the statutory limits;
- rehabilitation of and/or additions to an existing replacement dwelling;
- new construction;
- providing a direct loan or use of other financial techniques;
- physical relocation of a dwelling;
- purchase of existing housing;
- removal of barriers to the disabled, etc.

For eligible owners the threshold for implementing Housing of Last Resort provisions is when the sum of the supplemental housing payment, mortgage interest differential payment and incidental closing costs exceed \$22,500. These provisions are most generally employed when comparable replacement dwellings are not available within the monetary limit of \$22,500 for 180-day owner occupants, thus necessitating the need to provide additional or alternative assistance.

For tenants Housing of Last Resort provisions are employed when comparable replacement dwellings are not available for rent within the monetary limit of \$5,250, thus necessitating the need to provide additional or alternative assistance.

Any decision to provide Housing of Last Resort assistance must be adequately justified:

- On a case-by-case basis after consideration is given to:
  - ❖ The availability of comparable replacement housing in the project area;
  - ❖ The resources available to provide comparable replacement housing (in the community or the Iowa DOT);
  - ❖ The individual circumstances of the displacee; or
- On an area or project basis because:
  - ❖ There is little, if any, comparable replacement housing available to displacee's within an entire project area; and
  - ❖ The project cannot be completed in a timely manner without Housing of Last Resort assistance; and
  - ❖ The method(s) selected for providing replacement housing is/are cost effective given the potential cost of project delays

Right of Way Management must be involved in the decision to provide Housing of Last Resort on a project-wide basis so that Division Management may be consulted if necessary to consider the potential costs of project delays versus the potential cost of the replacement housing.

No person will be required to move from a displacement dwelling unless comparable DSS replacement housing is made available. No person will be required to accept a dwelling under these provisions in lieu of any acquisition payment or any relocation payment that the displacee might otherwise be eligible to receive, unless the displacee and Iowa Department of Transportation have entered into a contract requiring the person to do so.

### ***Methods of Providing Replacement Housing***

There is broad latitude, but the method must be cost effective and must be justified on a case-by case basis unless a determination is made that if Housing of Last Resort assistance is necessary for an entire project.

This option provides an opportunity for the Relocation Advisor to present innovative or unconventional ideas in order to solve the housing problem. However, the selected method must be determined to be the most cost effective of the methods analyzed. The advisor should present all possible solutions to the Relocation Supervisor and the Production Coordinator who can assist the advisor in determining which ideas to pursue.

Possible methods include, but are not limited to:

- For owners
  - ❖ Payments in excess of the \$22,500 monetary limit. Most of the time, this is the situation that triggers the implementation of last resort payments and the documentation requirements that go along with it.
  - ❖ Rehabilitation of and/or additions to an existing replacement dwelling. There may be occasions when there is available housing, but it may be necessary to cure DSS deficiencies or the addition of a room would make an otherwise deficient replacement dwelling work for the displacee. If cost effective, this a viable solution to solve the displacee's housing needs.
  - ❖ Construction of a new replacement dwelling.
  - ❖ Purchasing land/or a replacement dwelling by the Iowa DOT with subsequent lease or sale to, or exchange with a displacee.
  - ❖ The removal of barriers to the disabled.
  - ❖ The change in status of the displacee with his or her agreement from tenant or homeowner if it is more economical to provide a down payment rather than Housing

of Last Resort rental supplemental payment.

In some circumstances, when a person is displaced from a very large or substandard dwelling, a replacement housing supplemental payment based on different space and physical characteristics than the displacement is possible. Smaller, better quality replacement housing that is DSS and is adequate in size to accommodate the displacee's can be used. However, the housing must be functionally equivalent to the displacement dwelling.

➤ For tenants

- ❖ Payments in excess of the \$5,250 monetary limit. If a rental assistance payment is in excess of \$10,000 is necessary, the payments may be provided in periodic installments (generally annually), The Relocation Advisor should seek input from Relocation Supervisor and/or Production Coordinator on payments over \$10,000. If the Relocation Advisor believes that it would be in the displacee's best interest (because of a personal circumstance or condition) to provide a payment that is less than \$10,000 in periodic installments, the Relocation Supervisor and/or Production Coordinator should be consulted.
- ❖ Providing a direct loan with regular amortization or deferred repayment, secured or unsecured, interest bearing or interest free.
- ❖ Purchasing land/or a replacement dwelling by the Iowa DOT with subsequent lease or sale to, or exchange with a displacee.
- ❖ The removal of barriers to the disabled.
- ❖ The change in status of the displacee with his or her agreement from tenant or homeowner if it is more economical to provide a down payment rather than a Housing of Last Resort rental supplemental payment.

In some circumstances, when a person is displaced from a very large or substandard dwelling, a rental supplemental payment based on different space and physical characteristics than the displacement is possible. Smaller, better quality replacement housing that is DSS and is adequate in size to accommodate the displacee's can be used. However, the housing must be functionally equivalent to the displacement dwelling.

## ***Documentation***

To document the need for last resort housing provisions, the Relocation Advisor will develop a written plan that addresses the circumstances of the displacee, the problems encountered and the proposed solution. This plan must provide a solution that is legally possible, cost effective, and orderly. This plan will be submitted to the Relocation Supervisor for review and approval.

## ***New Construction***

New construction may be warranted when a partial acquisition from an operating farm operation includes the acquisition of the owner-occupied dwelling. The Iowa DOT has historically agreed with the necessity of the owner operator to remain living on the farm operation.

New construction may also be warranted when comparable replacement housing is not available in the market. For example a rural market may not have any available rural residential properties for sale at the time of displacement. Unique attributes such as several bedrooms for a displacee with a large family may necessitate new construction if adequate DSS housing is not available in the market at the time of displacement.

The RHP for new construction is based upon the replacement of the attributes of the dwelling being acquired. Additional bedrooms may be considered if the displacee requires the additional bedrooms to remain in DSS compliance. While the general attributes of the acquired dwelling should be considered, certain attributes in excess of the residential portion should not be included. These types of attributes include such items as swimming pools and greenhouses.

To secure cost estimates the Relocation Advisor may consider two alternatives.

- The Relocation Advisor may secure building proposals from builders in the local area.
  - ❖ Advantages include the ability to obtain accurate and reliable costs in developing the RHP.
  - ❖ Advantages include the ability to identify and estimate only eligible attributes.
  - ❖ Disadvantages include difficulty in obtaining estimates. Builders tend to resist providing proposals when they probably will not receive the work.
  - ❖ Disadvantages include a greater frequency in disagreements with the displacee's. Incidents of disagreement increase when the displacee's do not feel they have a voice in the calculations.
- Another alternative is to allow the displacee to secure their own building proposal with the understanding the Iowa DOT will only participate in the replacement of the applicable attributes. The displacee may design the home of their choice, but the RHP is calculated minus any upgrades from the existing dwelling.
  - ❖ Advantages include willingness of builders to provide proposals.
  - ❖ Advantages include accurate and reliable cost estimates from a source agreeable to the Iowa DOT and the displacee.
  - ❖ Advantages include the ability for the Iowa DOT to limit reimbursement only to

appropriate levels while allowing the displacee the flexibility to design their replacement home.

- ❖ Disadvantages include the required review and documentation by the Relocation Advisor to ensure reimbursement is limited to the appropriate levels.

### ***For Total Acquisitions***

In the vast majority of displacements existing replacement housing should be available in the market. New construction as replacement housing when the entire property is to be acquired should only be considered in isolated, unique situations. New construction in these cases may truly be considered as Housing of Last Resort.

The Relocation Advisor should work closely with the displacee in order to ascertain their needs as they relate to site location, type and quality of construction. The Relocation Advisor must still research the market in order to locate a site for the construction of the replacement dwelling. The Relocation Advisor should be aware of any restrictive covenants on the tract, size of the tract, zoning and availability of utilities to the site that may affect its usability by the displacee.

When gathering costs for new construction, the Relocation Advisor must remember that our objective is not to duplicate all the physical attributes of the displacement dwelling but rather to meet the functional needs of the displacee. The Relocation Advisor should make every attempt to gather cost information for a dwelling of similar quality and construction.

The Relocation Advisor should base the estimate on habitable space (See Chapter 3) rather than gross square footage, although this is not critical when comparing like structures. It is critical when comparing different types of dwellings (1-story, 2-story, split level, split-foyer, earth homes, etc.). The advisor should be cognizant of special features involving windows, fireplaces, plumbing features, cabinetry, heating, cooling, etc.

It is important to note that if the displacee's are in a 1-story now, we should not be basing replacement housing of any type on anything except 1-story. We should refrain from considering more stories/steps than the subject)

### ***For Partial Acquisitions***

The Relocation Advisor should work closely with the displacee in order to ascertain their needs as they relate to location on the remaining property, type and quality of construction.

The land value used in this situation is based on the land value that is attributed to the residential portion of the acquisition. This value is allocated from the appraisal in developing the cost of new construction. If the final acquisition price exceeds the appraised value, this value could change.

When gathering costs for new construction, the Relocation Advisor must remember that our

objective is not to duplicate all the physical attributes of the displacement dwelling but rather to meet the functional needs of the displacee. The Relocation Advisor should make every attempt to gather cost information for a dwelling of similar quality and construction.

The Relocation Advisor should base their estimate on habitable space rather than gross square footage, although this is not critical when comparing like structures. It is critical when comparing different types of dwellings (1-story, 2-story, split level, split-foyer, earth homes, etc.). The Relocation Advisor should be cognizant of special features involving windows, fireplaces, plumbing features, cabinetry, heating, cooling, etc.

### ***Removal of Barriers***

The removal of barriers or the addition to or the rehabilitation of an existing dwelling to assist the elderly or those displacee's with special needs is sometimes necessary. The cost of these features should be based on the lowest of two bids for the actual, reasonable and necessary modification on the actual replacement, if needed. Examples of these adaptations include ramps or lifts, wider doors, first floor laundry, garage openers, special commodes (toilets) and/or showers, lower counters, special features for the hearing impaired, etc.

In the case of new construction any adaptations necessary should be considered in the original estimate as it is generally more cost effective to add these features during construction.

In some circumstances, when the person is displaced from a very large or substandard dwelling, a replacement housing payment based on different space and physical characteristics than the displacement is possible. Smaller, better quality replacement housing that is DSS and is adequate in size to accommodate the displacee's can be used. However, the housing must be functionally equivalent to the displacement dwelling.

## **Chapter Five Overview**

- In some instances the statutory limits do not provide adequate funds to provide available replacement housing. In these cases the acquiring agency must provide the funds necessary to make replacement housing available. This measure is known as Housing of Last Resort.
- This chapter details the approved methods of providing replacement housing in compliance with Housing of Last Resort.
- Implementation of Housing of Last Resort requires appropriate levels of documentation to demonstrate the reasonableness of the recommended approach.
- New construction is a viable option in certain specific situations.
- Removing barriers for the elderly or disabled may be a necessary expense.



## **Chapter Six** **Residential Moving Payments**

Residential moving expense payments are designed to compensate the displacee for moving and related expenses which are incurred as a result of having to move from their dwelling or to move personal property as a result of the project. Reimbursement may include items such as the cost of packing, transporting and unpacking household goods, as well as, the cost of storage, and/or disposal fees, if necessary, and other related costs.

Reimbursement of expenses is limited to one move, if a second or split move, is voluntary. Payment is limited to the actual, reasonable and necessary expenses that would have been incurred had the displacee moved only once.

In the event that comparable replacement housing has not been made available, but it is necessary to require the person to move for a highly extraordinary reason, a second or split move is not considered to be voluntary and all actual, reasonable and necessary expenses will be reimbursed.

Actual, reasonable and necessary expenses incurred by a person who elected to move to a replacement dwelling that is not decent, safe and sanitary (DSS) may be paid or reimbursed. No requirement exists that a person move to a DSS replacement dwelling in order to receive reimbursement or payment for moving expenses.

Residential moving costs may be computed in three ways, the actual cost method, the schedule method or a self-move. A combination of these moves may also be done. A self-move is performed by the displacee in one or a combination of actual and fixed scheduled move. Self-moves based upon the lower of two bids or estimates are not eligible for reimbursement under this section.

### ***Actual Cost Method***

Any owner or tenant-occupant of a dwelling, who qualifies as a displaced person, is entitled to payment or reimbursement of those actual and reasonable expenses that the Iowa DOT determines to be necessary for a successful move. Eligible expenses include:

- Transportation of the displacee and their personal property for a distance not to exceed 50 miles.
- Packing, crating, unpacking and uncrating of the personal property.
- Disconnecting, dismantling, removing, reassembling and reinstalling relocated household appliances and other personal property.
- Storage of the personal property for a period not to exceed 12 months. The boarding of animals is not considered to be storage. The storage location (other than a storage pod) cannot be a site in which the displacee has an ownership or tenant interest. The 12 month limitation can be waived in extraordinary circumstances. In those instances,

the Relocation Supervisor and/or Production Coordinator will be consulted for approval.

- Insurance for the replacement value of the personal property to be moved. This can be during the move and for any storage period determined to be necessary.
- The replacement value of personal property lost, stolen or damaged when insurance covering such loss is not reasonably available. If the loss is through the fault or negligence of the displacee, or his or her agent or employee, reimbursement for the loss will not be allowed.
- Reimbursement for other expenses not listed later as ineligible, may be available. If the Relocation Advisor believes a displacee has or will incur such an expense, the Relocation Supervisor and/or Production Coordinator may be used as a resource.

It is the responsibility of the Relocation Advisor to assist the displacee in making arrangements to obtain a binding moving bid from a competent mover in the general vicinity of the displaced property, if possible. It is preferable to obtain at least two bids. The Relocation Advisor should advise the displacee to clarify the items to be moved and any special handling, if required.

The Relocation Advisor may facilitate a reasonable amount to be paid for the bid with instructions to the mover that the bid is for the exclusive use of the Iowa DOT with an agreement; if the mover gets the job this bid payment will be deducted from the actual moving bill. All bids should be in writing and provide a reasonable breakdown of the specific costs and special handling requirements, if necessary, noted on the binding or "not to exceed" estimate.

The Relocation Advisor will review the bids to insure completeness and inventory consistency. This is especially critical, if there is a large disparity between estimates. If there is a substantial difference between estimates, the Relocation Advisor should attempt to resolve them. It is reasonable to assume that two competent, knowledgeable companies moving the same inventory the same distance should be reasonably close in their estimate. If they are not and the difference cannot be resolved, the Relocation Advisor should obtain an estimate from a third mover to assist in providing a sound basis for the cost of the move.

While there are no fixed limits on payments for actual moving expenses, reimbursements are limited to actual, reasonable, and necessary costs. Payment for the move is limited to the lowest acceptable bid. When making determinations of reasonableness and necessity, the Relocation Advisor should use their experience, knowledge and judgment.

In order to minimize or eliminate hardships, the displacee may request that the vendor be paid directly. The Relocation Advisor will arrange for such payments and complete an Assignment of Interest form to be signed by the displacee and obtain a signed W-9 from the vendor, if not already on file.

### ***Schedule Method***

Any person displaced from a dwelling or seasonal residence may choose to receive an

expense and dislocation allowance as an alternative to actual expenses. This schedule or fixed method is based on the number of rooms of furniture in the dwelling from which the move occurred.

The advantages of this method are:

- It minimizes record keeping and paperwork for both the displacee and Iowa Department of Transportation.
- It is clear, simple and easy to administer.
- The displacee's know in advance the amount they will be paid and can plan accordingly.
- Claims for payment can be processed in advance of the physical move and payment to the displacee can be made immediately upon satisfactory vacation of the premises.

This fixed or schedule payment, established by the Iowa DOT, is composed of two parts.

- The total number of rooms of furniture and/or possessions. Typically, bathrooms are not included.
- The Relocation Advisor may adjust the room count where such an adjustment is reasonable. For example, rooms with substantially more than the typical amount of possessions may be counted as two or more rooms. Basement areas, small storage sheds or garages may be counted as rooms and miscellaneous exterior personal property may be considered as a room.
- A dislocation allowance. This allowance is intended as reimbursement for various incidental costs such as reinstallation of telephones, utility hookups, cable hookups, etc.

The Relocation Advisor should be aware of these costs in the displacee's local and share this information with the displacee. This will enable the displacee to make an educated decision as to whether the fixed or schedule payment is suited to their needs.

The current payment schedule is located in the Appendix.

### ***Additional Information***

- Packing/Unpacking Allowance

This is an additional payment used to reimburse the residential displacee for their time in packing and/or unpacking their personal property regardless of whether the displacee elected to use a commercial mover or the schedule move. If there are special items of personality that the displacee elects to move themselves and it may be reasonable to allow a payment for as compensation for this unusual amount of effort.

Payment of these packing and/or unpacking expenses is \$250 for a room count (see SCHEDULE METHOD, previous section) of eight rooms or less, with an additional payment of \$25 per room.

In cases in which the displacee is elderly, has special needs or cannot physically perform the task, the Relocation Advisor will obtain estimates and payment will be made on an actual and reasonable cost basis.

➤ More Than One Family or Individual Living In a Home

If two or more individuals live together and must move as a result of the project, and they elect to move to separate replacement housing, each is entitled to a prorated share of the moving payment that would have been made, if they had moved together to one replacement dwelling. The Relocation Advisor can usually facilitate an agreement between the parties concerning the amount each should receive. If a clear agreement cannot be reached between the parties, all parties should be named on the warrant.

➤ Remove All Personal Property

Displacee's will move or dispose of all personal property prior to receipt of the moving payment or reimbursement and the possession warrant, held and released, generally by Property Management. The intent is to ensure that significant items of personal property and any quantities of unwanted or discarded materials that are significant enough to attract rodents or other pests are removed.

If a dumpster is required, it would be considered an eligible expense. However, dumpster rental should be limited to a maximum of two weeks. If more than two weeks are required for clearing the property, the Relocation Supervisor and/or Production Coordinator will be consulted for approval. Such reimbursement will be provided to all displacee's whether they move on an actual cost or schedule basis.

➤ Hazardous or Toxic Household Materials

During the Relocation Advisor's inspection of the property to be acquired, hazardous items should be noted and pointed out to the displacee to put them on alert to the special disposal procedures.

Examples of hazardous items include: insecticides, rodent killers, fertilizers, herbicides, fungicides, brush cleaners, paint strippers, photographic chemicals, wood preservatives, parts cleaners, oil based paints, varnishes, thinners, turpentine, antifreeze, motor oil, degreasers, transmission fluid, lead-acid batteries, gasoline, radiator flushes, rust preventatives, oven cleaners, furniture and other polishes, deodorizers, mothballs/flakes, spot removers, floor waxes, drain cleaners, aerosol cans and other non-biodegradable items.

The displacee's may not be aware of these potentially dangerous items. Disposing of these items may cause an expense. The Iowa DOT has an obligation to attempt to assist in the proper disposal of these types of items. In order to accomplish this goal the Iowa DOT will

reimburse the actual and reasonable cost to dispose of these materials. Such reimbursement will be provided to all displacee's whether they move on an actual cost or schedule basis.

➤ **Miscellaneous Exterior Personal Property**

Other items of personal property may be located outside the dwelling will also need to be moved. These items may include satellite systems, liquid propane tanks, ornamental displays, portable clothesline poles, swing sets, swimming pools, etc. Because of the cost involved to disconnect, move and reconnect many of these items, the displacee may feel forced to move using the actual cost basis, even though they would prefer to use the schedule move. In these cases it is more cost effective to reimburse moving these items on an actual cost basis in addition to a schedule move for the household items. The Relocation Advisor is cautioned not to include additional room count for these items if the displacee chooses this option.

### ***Ineligible Expenses***

The following expenses are not eligible for reimbursement as residential moving and related expenses.

- The cost of moving any structure or real property improvement in which the displacee reserved ownership.
- Interest on a loan to cover moving expenses.
- Personal injury.
- Legal or other costs of preparing a claim for a relocation payment, or for representing the displacee with the Iowa DOT.
- Expenses for searching for a replacement dwelling.
- Expenses for storage of personal property at a location where the displacee has an ownership or tenant interest.

### ***Disbursing Payments***

Prior to the disbursement of supplemental housing payments, the replacement dwelling must be inspected to ensure it is DSS.

If the displacee requests to assign future payments to a financial institution or some other third party, an Assignment of Interest form can be used.

The displacee may need money to close on the replacement dwelling or advance payments for new construction prior to being in a position to surrender possession of the displacement dwelling. In these cases, the Relocation Housing and Possession Agreement form should be

used. (See Appendix) The displacee must sign this document agreeing to a reasonable date of surrender of possession of the displacement dwelling in exchange for early release of the supplemental housing payment and/or the possession warrant for the displacement dwelling (usually held by Property Management).

In order to receive the possession warrant from Property Management, the Relocation Advisor prepares for the Relocation Supervisor's signature, a memorandum outlining the situation and requests the warrant from the appropriate Property Manager.

In the case of new construction displacee's should be advised that any builder, who is to receive advance or progress payments, should be bonded. Bonding protects the displacee in the event that the builder does not perform in the manner agreed, or in the worst case, abandons the project. Releasing advance or progress payments to builders, who are bonded, will also protect the Iowa DOT in the event of a problem.

The Relocation Advisor may also want to contact the displacee's lender and arrange for an escrow account to manage the funds and provide the necessary releases as construction progresses.

## **Chapter Six Overview**

Displaced persons are entitled to reimbursement for actual and reasonable moving expenses incurred as a result of the displacement. These payments are developed by different methods.

- When reimbursement is based on itemized bills or receipts, the move is calculated by the Actual Cost Method.
- If the displaced accepts reimbursement based on the Schedule Method, a preset reimbursement based on the number of rooms involved is used.
- The Relocation Advisor must be aware of the potential issues surrounding the move.
- Ineligible expenses do exist and this chapter serves as a reference point to ensure compliance.
- The displaced may elect to have the reimbursement directly paid to the contractor providing the moving services.



## **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



## **Chapter Eight**

### **Non-Residential Relocation Assistance**

For Relocation Assistance purposes the term “person” is any individual, family, partnership, corporation or association. The term “business” means any lawful activity, except a farm operation, that is conducted:

- Primarily for the purchase, sale, lease and/or rental of personal and/or real property, and/or for the manufacture, processing and/or marketing of products, commodities and/or any other personal property.
- Primarily for the sale of services to the public.
- Primarily for outdoor advertising display purposes, when the display must be moved as a result of the project.
- By a nonprofit organization that has established its nonprofit status under applicable federal and state law.

#### ***Types of Non-Residential Displacements***

##### ***Small Business***

A business with less than 500 employees working at the site being acquired or displaced by the project, which site is the location of economic activity. Sites occupied solely by outdoor advertising signs, displays, or devices do not qualify as a business for purposes of eligibility for reestablishment expenses.

##### ***Farm Operation***

The term “farm operation” means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator’s support.

##### ***Nonprofit Organization***

The term “nonprofit organization” means an organization that is incorporated under the applicable laws in Iowa as a nonprofit organization, and exempt from paying Federal income taxes under section 501 of the Internal Revenue Code, (26 U.S.C. 501).

##### ***Tenant or Leaseholder***

A tenant is a person who has the temporary use and occupancy of real property owned by another.

## ***Types of Ownerships in Non-Residential Displacements***

### ***Sole Proprietorship***

This is the simplest form of ownership. It has only one owner. The owner reports income (or loss) on Schedule C (Profit or Loss From Business)

- Line 1 (“Gross receipts or sales”) is gross receipts
- Line 31 (“Net profit or (loss)”) is net income or loss
- Owner does not receive a wage, but income or loss is whatever is shown on Line 31
- Owner reports income (or loss) on Form 1040 (U.S. Individual Income Tax Return)
- Income or loss reported on Line 12 (“Business income or (loss)”)
- May be more than one Schedule C reported
- Sum of Schedule Cs must be equal to Line 12
- Additional wages may be paid to spouse or dependents
- Shown on Form 1040, Line 7 (“Wages, salaries...”)
- Payroll record or W-2 must be furnished for individual(s) if counted as part of the calculation
- Net income or loss for the year
- Form 1040, Line 12, plus
- Form 1040, Line 7, if applicable

### ***Partnership***

This relationship exists between two or more persons who join together to engage in a trade or business. Each partner contributes assets, skills or labor to the partnership. Each partner shares in the income or loss of the business. A partnership may include syndicate, group, pool, joint venture or other unincorporated group. The partnership may be as simple as a handshake or have complex partnership Agreements. A partnership is not a trust, estate or corporation.

Partners report income (or loss) on Form 1065 (U.S. Partnership Return of Income”)

- Line 1a (“Gross receipts or sales”) is gross receipts

- Line 22 (“Ordinary income (loss)”) is ordinary income or loss  Partners do not receive a wage, but sometimes receive a guaranteed payment. If so, it is shown on Line 10 (“Guaranteed payments to partners”)
- Additional wages may be paid to spouses and/or dependents
- Shown on Line 9 (“Salaries and wages....”)
- Payroll record or W-2 must be furnished for individual(s) if counted as part of the calculation
- Individual partner’s share of income or loss is shown on Form K-1 (Partner’s Share of Income, Credits, Deductions, etc.)
- Form K-1 is not used to calculate the partnership net earnings
- Partners generally withdraw all or part of the income of the partnership. Referred to as the “draw”
- The draw is the partner withdrawing part of the income shown on Form 1065, Line 22
- Net income or loss for the year
- Form 1065, Line 22, plus
- Form 1065, Line 10, if applicable, plus
- Form 1065, Line 9, if applicable

### ***Limited Liability Company (LLC)***

LLC’s are created to provide limited liability to business entities similar to that provided to a corporation. Most LLC’s are made up of two or more persons. For tax purposes LLC’s are treated like partnerships. LLC’s may be a general, limited or limited liability partnership or limited liability company. The income or loss is reported on Form 1065 (“U.S. Partnership Return of Income”).

- Line 1a (“Gross receipts or sales”) is gross receipts
- Line 22 (“Ordinary income (loss)”) is ordinary income or loss
- Members of the LLC do not receive a wage, but may receive a guaranteed payment. If so, it is shown on Line 10 (“Guaranteed payments to partners”)
- Wages may be paid to spouses and/or dependents
- Shown on Line 9 (“Salaries and wages....”)

- Payroll record or W-2 must be furnished for individual(s) if counted as part of the calculation
- Individual member's share of income or loss is shown on Form K-1
- Form K-1 is not used to calculate the LLC net earnings
- Members may draw all or part of the partnership income. Referred to as the "draw"
- The draw is part of the income shown on Form 1065, Line 22
- A sole proprietor can become an LLC.
  - ❖ If the case, rules for calculating net earnings are like an LLC,
  - ❖ Income reported on Schedule C, just like a sole proprietor
- The LLC may elect to be treated like a corporation
  - ❖ If the case, rules for calculating net earnings like a corporation
  - ❖ Necessary to look at their corporate tax return to ascertain their net earnings
  - ❖ Net income or loss for the year same as Partnership or Corporation, depending on above elections. Always reported on Schedule C, Form 1120 or Form 1120-S

## ***Corporation***

Sometimes these types of ownerships are referred to as "C Corporations" to distinguish them from "S Corporations". It files a tax return on Form 1120 or 1120A. Owners of a corporation are referred to as shareholders with each owner owning shares in the corporation. If only one owner owns all the shares, they are referred to as the "sole owner" Corporations report income (or loss) on Form 1120 (U.S. Corporation Income Tax Return)

- Line 1c ("Gross receipts/sales") is gross receipts
- Line 12 ("Compensation of officers") is pay to the corporation officers
- Line 28 ("Taxable income before net...") is the taxable income for the year
- Line 29b ("Special deductions") is dividends and special deductions and supported by Schedule C (part of Form 1120)
- Wages may be paid to spouses and/or dependents
- Shown as part of Line 13 ("Salaries and wages")
- Payroll record or W-2 must be furnished for individual(s) if counted as part of

calculation

- If there is a profit, the corporation pays tax on the profit – unlike the partnership which passes the profit through to the partner to report on an individual tax return (Form 1040)
- Obtain a list of shareholders to ascertain whether spouses and/or dependents are included as shareholders (paid under Line 12 or Line 13)
- Profits of the corporation are paid out to individual shareholders in the form of dividends. Dividends paid out are not added as part of the net earnings calculation as they are already included in Line 28
- Owners of a corporation receive W-2 for their wages
- Net income or loss for the year
  - ❖ Form 1120, Line 12, plus
  - ❖ Form 1120, Line 13, if applicable, plus
  - ❖ Form 1120, Line 28, minus
  - ❖ Form 1120, Line 29b

## ***S Corporation***

The S Corporation, if it qualifies, may elect to be generally exempt from federal taxation. It files a tax return on Form 1120S. Owners of this type of corporation are referred to as shareholders with each owner owning shares in the corporation. Shareholders include their share of the profits from the corporation on their individual Form 1040 (U.S. Individual Income Tax Return). The Corporation reports income (or loss) on Form 1120S (U.S. Income Tax Return for an S Corporation).

- Line 1c (“Gross receipts/sales”) is gross receipts
- Line 7 (“Compensation of officers”) is pay to the corporation officers
- Line 21 (“Ordinary income [loss] from trade...”) is the taxable income for the year
- An S Corporation owner should receive a W-2 if they work for the corporation
- Wages may be paid to spouses and/or dependents and are shown as part of Line 8 (“Salaries and wages”)
- Payroll record or W-2 must be furnished for individual(s) if counted as part of calculation

- Income from the corporation is passed through to the owners on a Form K-1 (Shareholder's Share of Income, Credits, Deductions, etc.)
- Form K-1 is not used to calculate the net earnings since it is already included in Line 21
- The owner may withdraw the profits. Referred to as the "draw" The draw is the owner withdrawing part or all of the income shown on Line 21
- Net income or loss for the year
  - ❖ Form 1120S, Line 7, plus
  - ❖ Form 1120S, Line 8, if applicable, plus
  - ❖ Form 1120S, line 21

### ***Farm Operations***

A displaced farm operation is eligible for a fixed payment in lieu of actual expenses for moving and related expenses and reestablishment expenses if it is acquired as a total acquisition. A displaced farm operation is eligible to claim a fixed payment following a partial acquisition if the Iowa DOT determines that:

- The acquisition of part of the land caused the operator to be displaced from the farm operation on the remaining land or
- The partial acquisition caused a substantial change in the nature of the farm operation

For example if the outbuildings or a substantial number of the outbuildings are included in the partial acquisition from a dairy farm operation, a substantial change in the nature of the farm operation has probably occurred.

The fixed payment calculation for farm operations is similar to that of a business. The fixed payment is based on the average net earnings, from all sources, for the two years prior to displacement. In Iowa, if the farm operation had a loss during one year, the farm operations is not penalized, but rather, the net income for that year is considered to be zero.

If the farm operation was not in operation for the two full years prior to displacement, like the business, net earnings will be prorated to an annual amount for the partial year or over a two year period, whichever is greater.

Farm operations may take on any of the entities discussed under Small Businesses: sole proprietor, partnership, corporation or S Corporation.

The calculation of net earnings differs slightly from businesses on the forms used. These differences are:

- A farm may be operated by a single operator and is treated similar to a sole proprietor with the only difference being that the farmer will report income on a Schedule F (Profit or Loss from Farming) which lists such agricultural related expenses such as feed, seed, veterinary fees, etc., instead of Schedule C.
- Owner reports income (or loss) on Schedule F
- Line 11 (“Gross income”) is the farm’s gross income
- Line 36 (“Net farm profit or (loss)”) is the farm’s net earnings
- Owner does not receive a wage, but income or loss is whatever is shown on Line 36
- Owner may report income (or loss) on Form 4797 (Sales of Business Property)
- Line 10 (“Gain or loss”) for breeding stock, etc.
- Owner reports income (or loss) on Form 1040 (U.S. Individual Income Tax Return)
- Form 4797 income or loss reported on Line 14 (“Other gains or losses”)
- Schedule F income or loss reported on Line 18 (“farm income [or loss]”)
- Net income or loss for the year
- Form 1040, Line 14, plus Form 1040, Line 18
- A farm partnership will also report the income on Schedule F and attach it to Form 1065, Partnership Return. The income is then added to the Form 1065 on Line 5 (“Net farm profit/loss”) and included with any other partnership income. Wages paid to a spouse and/or dependents and guaranteed payments to the partners are treated the same as any other partnership.
- Farm corporations (both C and S corporations) report the income from the farm directly on the respective 1120 or 1120S corporate tax returns. Therefore, the same numbers will be used to determine the annual net earnings for the farm corporation as for any other corporate business.

If the farm operation intends to claim the minimum payment of \$1,000 a statement signed by the operator of the farm indicating that fact is generally sufficient to document the file and generate payment. There may, however, be instances when more documentation is needed and the Relocation Supervisor and/or Production Coordinator should be consulted.

### ***Nonprofit Organizations (NPO)***

A NPO is eligible to claim a fixed payment in lieu of actual expenses for moving and related

expenses and reestablishment expenses if the Iowa DOT determines the NPO cannot be relocated without substantial loss of existing patronage (membership or clientele). They are assumed to meet this test unless demonstrated otherwise.

Demonstrating such a loss may prove difficult to document. Proceeding with a fixed payment may be in the best interest of all the parties. Benefits including moving and reestablishment expenses must be provided to the displacee prior to a fixed payment decision being made.

A displaced NPO that meets the criteria described earlier is eligible to claim a fixed payment of a minimum of \$1,000 to a maximum of \$20,000. The amount of this payment is the average gross revenue of the organization less administrative expenses from the two years prior to displacement.

If the NPO was not in existence for the two full years prior to displacement, as in the case of businesses and farm operations, the gross revenue less administrative expenses will be prorated to an annual amount for the partial year or over a two year period, whichever is more advantage to the displacee.

Gross revenues may include membership fees, class fees, cash donations, tithes, receipts from sales or other forms of fund collection that provide money for the organization to operate. Administrative expenses are those for administrative support such as rent, utilities, salaries, advertising and other items as well as fund raising expenses. Expenses for carrying out the purpose of the NPO are not included.

Any claim for a payment in excess of the \$1,000 minimum must be supported by certified financial statements or tax returns and a completed Fixed Payment for Non-Residential Move (See Appendix).

NPO's or exempt organizations can apply to the Internal Revenue Service for special tax-exempt status. The organization must be organized and operated for charitable purposes that serve the public. Charitable purposes include community development, services for children, elderly, disabled or poor, legal services, educational services, health services, arts and culture, etc.

The NPO will file Form 990 (Return of Organization Exempt From Income Tax) annually with the Internal Revenue Service

- Line 12 ("Total revenue") is total revenue received
- Part II ("Statement of Functional Expenses") shows a breakdown of how funds are used
- Column A is total of all expenses
- Column B shows amount spent on program services or its tax exempt purpose
- Column C shows the administrative expenses

- Column D shows the expenses of fund raising
- Totals are carried back to Lines 13-17 of page 1
- The amount used to compute the payment is:
- Column C (“Management and general”)

If the NPO intends to claim only the minimum payment of \$1,000 a statement signed by the organization indicating that fact is generally sufficient to document the file and generate payment. There may be cases when more documentation is needed and the Relocation Supervisor and/or Production Coordinator should be consulted.

### ***Non-Residential Moving Expenses***

This portion of the manual will discuss non-residential aspects of moving businesses, farm operations, NPO's, simple personal property only moves and moving advertising devices, both on and off premise.

Simple personal property moves and advertising device moves are limited to reimbursement of moving expenses.

Businesses, farm operations and NPO's may choose either of two methods for computing non-residential moving expense payments. They may choose:

- Actual Cost Payment Method and Reestablishment Expenses
- Fixed Payment for Moving Expenses Based on Average Net Earnings

These various options available to each type of relocation will be discussed in greater detail on the following pages.

Non-residential moving expense payments are designed to compensate the individual, business, farm operation or NPO for moving and related expenses, which are incurred as a result of having to move personal property from the acquisition area as a result of the project. Eligible expenses include such items as the cost of packing, transporting and unpacking personal property, the cost of storage, if necessary, and other related costs.

Reimbursement of expenses is limited to one move if a second, or split move is voluntary. Payment is limited to the actual, reasonable and necessary expenses which would have been incurred had the displacee moved only once.

The Relocation Advisor must understand which items are considered to be personal property and what is considered to be part of the real property to be acquired. To ensure consistency and avoid double payments this determination should be made during the Valuation Process. The Relocation Advisor should attempt to identify situations when such a determination may be necessary during the initial interview with the displacee.

Iowa law does not specifically identify which items are personal property and which are real property. (In general, a fixture or piece of equipment is considered to be real property, if:

- A typical buyer of the real property would consider the item to be part of the real property.
- The item cannot be removed without injuring the structural integrity of a building, structure or other permanent improvement.

The Appraisal and the Acquisition/Relocation sections should concur in the realty vs. personal property determinations prior to the development of issues. Up-front planning and communication is very important to ensure the success of the negotiations and move.

The approved appraisal report should include these determinations. Fixtures and other equipment considered to be part of the real property should be identified, but it is possible that some items may require further identification. Misunderstandings and clarifications must be identified and resolved. The Relocation Advisor is responsible for bringing any questions to the attention of the Relocation Supervisor and/or Production Coordinator for discussion.

### ***Self-Move***

This is a move of personal property in which the displacee elects to take full responsibility. Levels and types of documentation are dependent upon the scope and type of move. In general, payment will be limited to an amount less than the lower of two firm bids from competent movers.

### ***Commercial Move***

Moves performed by competent, licensed and insured moving firms and are based on firm bids. The displacee may contract with the commercial mover of his or her choice, but reimbursement by the Iowa DOT is limited to the lower of two bids.

### ***Eligible Non-Residential Moving Expenses***

Any individual, business, farm operation or NPO that qualifies as a displaced person is entitled to payment or reimbursement of those actual and reasonable expenses that the Iowa DOT determines to be necessary for a successful move. Eligible expenses include:

- Transportation of personal property for a distance not to exceed 50 miles, unless determined that a relocation beyond 50 miles is justified.
- Packing, crating, unpacking and uncrating of the personal property.
- Disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment, substitute personal property and connections to utilities within the building. Also included are modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to

the replacement structure, the replacement site and modifications necessary to adapt the utilities at the replacement site to the personal property.

This may include expenses for connection to utilities available on the site, and for providing utilities from the right-of-way to the improvements.

There are instances when it is necessary to make other types of modifications that do not seem to fit any of the above categories in order to reinstall personal property or equipment. An example of such modification is the necessity for the installation of a special base or recessed area to accommodate a piece of equipment.

In general, if the modification to the real property is one that would create a discernible increase in the market value of the whole property, it is most likely an ineligible expense under this provision. Questions should be discussed with the Relocation Supervisor and/or Production Coordinator.

- Storage of the personal property for a period not to exceed 12 months. The storage location cannot be a site in which the displacee has an ownership or tenant interest. The boarding of livestock is not considered to be an eligible storage expense. The 12 month limitation can be waived in extraordinary circumstances. In those instances, the Relocation Supervisor will be consulted for approval. The use of Storage Pods upon the displacee's land is reimbursable provided:
  - ❖ The displacee does not receive any of the funds paid for use of the storage pod or storage pod service utilized.
  - ❖ The displacee may not receive payment for the land the storage pod occupies during the storage period.
- Insurance for the replacement value of the personal property to be moved. This can be during the move and for any storage period determined to be necessary.
- Any license, permit or certification required of the displaced person at the replacement location. Payment may be based on the remaining useful life of the existing license, permit or certification.
- The replacement value of personal property lost, stolen or damaged when insurance covering such loss is not reasonably available. If the loss is through the fault or negligence of the displacee, or his or her agent or employee, reimbursement for the loss will not be allowed.
- Professional services necessary for:
  - ❖ Planning the move of the personal property,
  - ❖ Moving the personal property, and

- ❖ Installing the relocated personal property at the replacement location.
  - ❖ Services performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation including but not limited to, soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site).
  - ❖ In some cases, the displacee is the most qualified person to plan the move. In those cases an agreement can be made to pay the displacee for time spent planning the move based on a reasonable hourly rate or other reasonable basis for payment.
- Re-lettering signs and replacing stationery on hand at the time of displacement that are made obsolete as a result of the move. It is important to note that this material must have been made obsolete as a result of the move and not as a result of a previous move or a change in the name of the business or some other circumstance. Items that do not make reference to the business' obsolete address, telephone number, etc. will not be replaced.

Reimbursement will be limited to the cost of the same general quality. Same general quality means that if business cards or flyers are printed in one color before the move, reimbursement for card printed in two or more colors will be limited to the price for one color.

The number of items to be replaced are the number the business had on hand, or if necessary, the minimum order. Pens, key fobs and other miscellaneous items used by the business to inform the general public and clientele of the location of the business also qualify for replacement of like kind.

- A one-time notification to a business' clientele of its new location. This may be accomplished by postcard, newspaper, shopper or in some cases by radio or television.

It is very important to have an understanding with the displacee that the intent of this provision is not to advertise the sale of products, but to notify the clientele or general public of the move to a new location.

Examples of acceptable notifications from the print media are located in the Appendix. The notification method and content of the notice must be preapproved by the Iowa DOT. Such prior agreement could prevent misunderstandings after the fact.

- The reasonable cost incurred in attempting to sell an item that is not to be relocated.
- Expenses incurred searching for a replacement location. Eligibility is limited to businesses, farm operations, nonprofit organizations and owners of off-premise advertising devices. Payment under this provision cannot exceed \$2,500. Reimbursement may include:

- ❖ Reasonable and necessary expenses incurred for transportation based on generally accepted mileage rates such as the Internal Revenue Service rates.
  - ❖ Meals and lodging away from home. The current expense allowance provided to Iowa DOT employees may be used to gauge reasonableness
  - ❖ Time spent searching based on a reasonable hourly rate. Reasonable is limited to an amount the Relocation Advisor considers to be adequate based on the business the displacee is engaged in and what the earnings of the displacee are. As a general policy we will pay \$40/hour unless justified by further documentation.
  - ❖ Fees paid to someone who provides this service to the displacee.
  - ❖ Time spent in obtaining permits and attending zoning hearings
  - ❖ Time spent negotiating the purchase of a replacement site based on a reasonable salary or earnings.
  - ❖ The displacee must provide adequate documentation of the expenses incurred including locations inspected, dates and time spent.
- Actual direct loss of tangible personal property incurred as a result of the move. The payment will be the **lesser** of:
- ❖ The fair market value (value-in-place) of the item for continued use at the displacement site, less the proceeds from its sale. If the personal property claimed as lost consists of goods that the business sells, the value will be based on the cost of the goods to the business, not the potential selling price if sold during the regular course of the displacee's business.
  - ❖ If the Iowa DOT determines that it is not necessary for the displacee to make a good faith effort to sell the item(s), the Relocation Advisor must document the file of the reason(s) for that decision. In some cases, it is impractical to attempt to sell an obviously obsolete or very low-value item
  - ❖ The estimated cost of moving and reinstalling the item to the replacement location without any consideration for storage expenses. If the operation is discontinued, the distance is assumed to be 50 miles.

Example:

Fair market value of the item:	\$ 1,500
Less proceeds from sale:	- \$ 500
Loss of tangible personal property:	\$ 1,000
Cost of moving the item:	\$ 750

Reinstallation:	+ \$ 150
Total moving cost:	\$ 900

In this example, the Iowa DOT would pay the displacee \$900. That, plus the proceeds from the sale would net \$1,400 to the displacee.

Example:

Fair market value of the item:	\$ 1,500
No value (obsolete, low value, etc.):	\$ 0
Loss of tangible personal property:	\$ 1,500

Cost of moving the item:	\$ 750
Reinstallation:	+ \$ 150
Total moving cost:	\$ 900

In this example, the Iowa DOT would reimburse the displacee \$900 to move and reinstall the item.

Example:

Fair market value of the item:	\$ 1,500
Less proceeds from sale:	- \$ 500
Loss of tangible personal property:	\$ 1,000

Cost of moving the item:	\$ 1,000
Reinstallation:	+ \$ 250
Total moving cost:	\$ 1,250

In this example, the Iowa DOT would reimburse the displacee \$1,000. The displacee would receive a total of \$1,500.

This provision is generally initiated by the displacee and in order for the displacee to make an informed decision, it is important that the Relocation Advisor obtain timely and accurate estimates.

- Purchase of substitute property. If an item of personal property which is used as a part of the business is not moved but is promptly replaced with an item that performs a similar function at the replacement location, the displacee is entitled to payment in the amount of the **lesser** of:
  - ❖ The cost of the substitute item including installation costs at the replacement location, minus any proceeds from the sale or trade-in of the replaced item or
  - ❖ The estimated cost of moving and reinstalling the replaced item at the replacement location, without any consideration to storage expenses.

Example:

Cost of substitute item:	\$ 3,000
Installation costs:	+ \$ 150
Less trade-in (or less proceeds of sale)	- \$ 1,000
Net cost of substitute item:	\$ 2,150
Cost of moving the item:	\$ 750
Reinstallation:	+ \$ 150
Total moving cost:	\$ 900

In this example, the Iowa DOT would reimburse the displacee \$900. The displacee would then have a net out-of-pocket expense of \$1,250 (\$2,150 minus \$900) for an item that is most likely newer, more dependable and more energy efficient.

- Low value/high bulk: When the personal property to be moved is of low value and high bulk and the cost of moving the property would be disproportionate to its value in the judgment of the Iowa DOT, the allowable moving cost payment shall not exceed the lesser of:
  - ❖ The amount which would be received if the property were sold at the site or
  - ❖ The replacement cost of a comparable quantity delivered to the new business location.

Examples of personal property covered by this provision include, but are not limited to stockpiled sand, gravel, minerals, metals and other similar items of personal property.

- Impact fees or one time assessments for anticipated heavy utility usage, as determined necessary by the Iowa DOT.
- Reimbursement for other expenses (not listed in the next section as ineligible) may be available. If the Relocation Advisor believes a displacee has or will incur such an expense, the Relocation Supervisor should be consulted.

### ***Ineligible Non-Residential Moving Expenses***

None of the following expenses are considered to be eligible for reimbursement as nonresidential moving and related expenses.

- The cost of moving any structure or real property improvement in which the displacee reserved ownership.
- Interest on a loan to cover moving expenses.
- Loss of goodwill.

- Lost profits.
- Loss of trained employees.
- Personal injury.
- Legal or other costs of preparing a claim for relocation payment, or for representing the displacee with the Iowa DOT.
- Any additional operating expenses for the displacee incurred because of operating in a new location except as provided under reestablishment.
- Physical changes to the real property at the replacement location of the operation except as provided under reestablishment.
- Expense for storage of personal property at a location where the displacee has an ownership or tenant interest.

### ***Types of Moves***

Non-residential moves may involve different types of moves. This portion of the manual will discuss the various types of moves.

#### ***Self-Moves***

A displacee may elect to take full responsibility for the move of their business, farm operation, NPO, personal property or advertising device. This provision allows the Iowa DOT to reimburse the displacee for the move, but the cost determination and levels of documentation required vary based on the estimated cost of the move. Payment to a displacee for a self-move will never exceed the lower of two firm bids or estimates received for the larger, more complicated moves or the Relocation Advisor's estimate based on local information. The advisor should use the Estimated Cost of Self-Move of Personal Property form in preparing the documentation for a self-move.

The documentation and monitoring requirements for the following categories are:

- *Self-Moves of \$2,000 or Less*

Self-moves in this category may be based on the Relocation Advisor's estimate. Very little documentation is needed for a move of this size. The advisor should have a general idea of local costs before contacting the displacee so that an estimate of a move in this category can be determined during the initial inspection.

The advisor can be prepared by surveying local rental agencies for rental rates for trucks, carts, hoists, etc., including insurance before meeting with the displacee. That information should be in the relocation file or if there are a number of similar moves of this type on the project this information should also be included in the Project General File. A sample of a

report of a survey is in the Appendix.

If the displacee indicates a preference for making the move, the Relocation Advisor should be prepared to estimate the cost of the move and reach an agreement with the displacee at that time. The Relocation Advisor does not need to break out equipment and labor costs, only the lump sum amount agreed to with the displacee. The Relocation Advisor should either list the inventory of items to be moved or take pictures in order to document the scope of the move.

The Relocation Advisor should complete the Estimated Cost of Self-Move of Personal Property form and the Claim for Non-Residential Relocation Assistance Reimbursement form. Both the displacee and Relocation Advisor should sign the forms with the claim submitted for review and preparation of a warrant.

The approximate date for the move should be agreed to and the displacee should inform the Relocation Advisor when the move is completed. Once the Relocation Advisor has confirmation that the personal property was moved to the new location, there is no need for a visual inspection of the replacement location, and payment can be delivered or mailed to the displacee.

➤ *Uncomplicated Self-Moves of \$5,000 or Less*

Self-moves in this category are considered uncomplicated as the move will basically require labor and a truck. The difference between this move and the previous category is the quantity of items to be moved, transported and unloaded. A move of this magnitude can be prepared by a qualified Relocation Advisor with concurrence by the Relocation Supervisor or Production Coordinator and must include a breakdown of labor and equipment costs, and a list or photographs of the inventory to be moved, so that the amount agreed upon can be reviewed for accuracy and reasonableness.

The Relocation Advisor should complete the Estimated Cost of Self-Move of Personal Property form and Claim for Non-Residential Relocation Assistance Reimbursement. Both the displacee and Relocation Advisor should sign the forms with the claim submitted for review and preparation of a warrant.

The approximate date for the move should be agreed to and the displacee should submit the appropriate move notification once the move is completed. The Relocation Advisor should make arrangements to inspect the displacement site to ensure the move is complete and all items of personal property were removed as agreed upon. Payment can then be released to the displacee.

➤ *Complicated Self-Moves and Moves of More than \$5,000*

Moving costs in this category will be based on binding moving estimates by competent, knowledgeable professional movers. Monitoring these moves is necessary to ensure that the amounts reimbursed are reasonable and necessary, and that the methods and special handling, if any, were actually performed. Generally, higher dollar moves require more monitoring than lower dollar moves. A detailed moving plan or specification that is pre-

approved by the Iowa DOT generally alleviates the need for the Relocation Advisor to actually monitor the move on-site.

The Relocation Advisor will explain to the displacee that the amount to be reimbursed is “to be based on the lower of two firm estimates”. This does not mean the displacee will be able to claim the amount of the lower estimate. Movers have overhead expenses that displacees, who are not in the moving business, do not have. Movers are in the business to make a profit and displacees are not entitled to make a profit on their moves, but rather to be reimbursed for their actual and reasonable expenses. Movers’ overhead includes employee benefits, fleet maintenance expenses, building and equipment expenses, advertising and other expenses. An amount of 80% of the lowest bid received is considered reasonable for these types of moves.

➤ *Actual Cost Self-Moves*

Actual cost self-moves must be planned and monitored in a manner similar to the category of complicated self-moves of \$5,000 or more. If the displacee uses their own employees, reasonable and acceptable documentation of their salaries and time spent must be provided.

The Relocation Advisor will explain to the displacee that the amount to be reimbursed is “to be based on the lower of two firm estimates” does not mean they will be able to claim the amount of the lower estimate. Movers have overhead expenses that displacees who are not in the moving business do not have. Movers are in the business to make a profit and displacees are not entitled to make a profit on their moves, but rather to be reimbursed for their actual and reasonable expenses. Movers’ overhead includes employee benefits, fleet maintenance expenses, building and equipment expenses, advertising and other expenses. An amount of 80% of the lowest bid received is considered reasonable for these types of moves.

While it is not intended that the displacees suffer losses because they want to perform their moves, they are not entitled to receive what the Iowa DOT would pay a professional mover just because the department would incur that expense if the displacee did not choose the self-move option.

When the displacee and the Relocation Advisor have agreed on a moving plan and at least two estimates have been obtained, the Relocation Advisor should analyze the estimates before attempting to negotiate an agreement with the displacee. Items to be considered are over-the-counter prices of cartons, probable rental rates for equipment and probable labor costs to be incurred by the displacee.

Since movers are professionals, it is assumed that they will pack cartons more quickly and efficiently than the displacee, so the adjustment to the lower estimate should not be based on the labor rate charged by the mover versus the amount the displacee can be expected to incur, or the difference in the cost of cartons. Since the labor cost is probably less, one can assume it will be less efficient, so the Relocation Advisor’s good judgment is required. Once the Relocation Advisor has analyzed the estimates and has an idea of approximate range of reasonable dollar adjustments, the displacee will be contacted to discuss potential reimbursement.

## ***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 should be used.

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 notarized Letter of Understanding.

## ***Preparing for the Non-Residential Move***

The first step in this process is to list the items to be moved. If the move is small and simple, a photograph or two should be sufficient. If the move is large enough that a photo does not provide adequate information for a subsequent review consider a written list as additional data.

Some moves are so large and complex due to large amounts of machinery, equipment or inventory that it may be advisable to video record the placement and installation of the personal property to be moved. If the operation to be moved has an inventory that fluctuates a great deal, the advisor should update the list shortly before the move.

As the list is being compiled, the options available to the displacee should be discussed. The pros and cons of a self-move, a commercial move or a combination can be discussed. If the operation to be moved is a large plant with machinery and equipment, the advisor should try to get the name of the person or firm who installed the equipment. This information can often be found on a plate on the machine that lists the manufacturer and its address. If necessary, the manufacturer can be contacted for requirements for moving and reinstalling the machine. The potential for “loss of tangible personal property” or “purchase of substitute personal property” should be explored during this process.

Before the potential cost of the move is determined, it is important that the Relocation Advisor and the displacee have an understanding of how the move will be accomplished. Such considerations should include:

- Will special packing be necessary?

- Which items will require disassembly before the move?
- What is the approximate date of the move?
- When will the move be made in order to minimize downtime? Evenings? Weekends?
- Where are the items going? New location? Disposal?
- Are there special adaptations at the new location that need to be made before the items are moved?
- What will be the staging of the move to accomplish it in the most efficient cost effective way?
- Will it be necessary to coordinate the disassembly, move and reinstallation of machinery between various contractors?

A written moving plan is advisable, if the move is large or complicated. Unforeseen circumstances may arise, and having a written “*what, how, when and where*” plan will often prevent misunderstandings.

If bids or estimates are obtained, each bidder or estimator should be provided with the list of items to be moved and the proposed moving plan. The Relocation Advisor should accompany the movers on their inspection of the property in order to clarify items to be moved and any special handling that is needed whenever possible.

Before the services of a mover are retained for estimating purposes, the Relocation Advisor should determine that the mover has a certificate of insurance so that adequate protection for the value of the personal property is available, if a loss or damage occurs during the move. This will insure that the displacee retains the mover’s services and there is adequate protection for the move. If the displacee contracts for the move with another party not involved in the estimating process, the Relocation Advisor should advise the displacee to seek proof of insurance for their protection.

The Relocation Advisor will negotiate a reasonable amount to pay for the moving bid with instructions to the mover that the estimate is for the exclusive use of the Iowa DOT. Often this fee can be negotiated to be deducted from the final bill, if the mover actually performs the move. All bids should be in writing and provide a reasonable breakdown of the specific costs and special handling requirements, if any, noted on the submittal.

The Relocation Advisor will review the estimates to insure completeness and inventory consistency. This is especially critical, if there is a large disparity between the estimates. If there is a substantial difference between estimates, the Relocation Advisor should attempt to resolve them. It is reasonable to assume that two competent, knowledgeable companies moving the same inventory the same distance under similar conditions should be reasonably close in their estimates. If they are not, and the difference cannot be resolved, the advisor should obtain an estimate from a third party, if possible, to assist in providing a sound basis

for the cost of the move.

While there is no fixed dollar ceiling on payments for actual moving estimates, there are limits on what may be paid:

- The payment may not exceed the actual cost of the moving and related expenses, and will be based on receipts for the costs claimed.
- The charges which make up the payment must be reasonable, i.e., typical of the amounts charged for a similar move. This is sometimes difficult to ascertain because of the special nature of some moves.
- The items of cost included in the claim for reimbursement must be necessary to accomplish the move.
- Payment for the commercial move is limited to the low acceptable bid. The Iowa DOT has been involved in a number of moves that have been so large and complicated that the services of specialists from other states have been retained in order to write specifications and oversee the move.

Displacees should be advised that the Iowa DOT must be allowed to monitor the move and inspect the personal property at the displacement and replacement locations. If it is determined by the Relocation Advisor during inspection of the replacement location that there were significant differences in the moving method or in the number of items moved, the amount of reimbursement may be adjusted.

### ***Reestablishment Payments***

In addition to actual moving expenses, a small business, farm or NPO is eligible for reimbursement of reestablishment expenses. These payments are in addition to actual moving expenses and are intended to reimburse the eligible displacee for expenses that the Iowa DOT determines to be reasonable and necessary in connection with reestablishing the small business, farm or NPO at a replacement site. Reimbursement of reestablishment expenses **may not exceed \$10,000**. (see 761 IAC 111.304)

It is important to remember that such expenses should be necessary to reestablish the present operation, not to improve it, allow it to enter new markets, or do those things that the operation should have done itself or wanted to do at the displacement location. Displacement provides an excellent opportunity for an operation to do all of those things itself, but they should not be accomplished with public funds.

Relocation Advisors should not attempt to unreasonably restrict displaced operations, but it is important to keep in mind that this payment is authorized to compensate for reestablishment efforts *caused* by the displacement.

If the displacee received a payment through acquisition, say, as a “cost-to-cure”,

reestablishment cannot be used as this would represent a duplication of payment. However, if deemed reasonable and necessary, all or part of the difference between the actual cost and what was previously paid could be an eligible reestablishment expense.

The Relocation Advisor is not expected to make an exhaustive search for other such payments, the Relocation Advisor is only required to avoid creating a duplication based on their knowledge at the time the payment is made.

Example: The displaced farm is paid \$5,000 in the acquisition process for the loss of a pond as a source of water to feed livestock. It is necessary to replace the pond and the cost of replacement is \$10,000.

If the displacee received assistance from another governmental agency to make up the difference in the cost, there would be no reestablishment expense incurred. If the displacee received a portion, say \$3000, from another governmental agency, the difference, or \$2,000, could be reimbursed as a reestablishment expense.

### ***Eligible Reestablishment Expenses***

All expenses in this category must be reasonable and necessary for reestablishment in the judgment of the Iowa DOT. Expenses eligible for reimbursement include, but are not limited to the following:

- Repairs or improvements to the replacement real property that are required by federal, State or local law, code or ordinance.
- Modifications to the replacement real property to accommodate the operation or to make replacement structures suitable for conducting the business.

In the case of an owner, the cost of constructing a new building on vacant replacement property is a capital expenditure and is generally not eligible as a reestablishment expense since the displacee was previously paid the market value of the acquired structure. Reimbursing the difference between the cost new and the market value would constitute a supplemental building payment and not eligible for reimbursement.

In those rare instances when an operation can locate no available suitable buildings and construction of a replacement structure would enable the operation to remain a viable operation, a portion of the cost may be eligible for reimbursement, subject to avoidance of duplication of payments and the statutory \$10,000 limit for reestablishment.

In the case of an eligible tenant, such a cost would be eligible if the tenant received none of the proceeds from the sale of the structure to the Iowa DOT.

- Construction and installation costs of exterior signing to advertise the operation. Exterior signing may include off-premise signing such as a billboard.
- Redecoration or replacement of soiled, worn or damaged surfaces at the replacement

site. Examples include painting, paneling or floor covering.

- Licenses, fees and permits when not paid as part of moving expenses.
- Advertisement of the replacement location.
- Estimated increased costs of operation during the first two years at the replacement location for items such as:
  - ❖ Lease and rental charges;
  - ❖ Personal property or real property taxes;
  - ❖ Insurance premiums;
  - ❖ Utility charges.
  - ❖ Operating costs are expenses typically reported for income tax purposes. Those records should be made available by the displacee to document the costs at the displacement location. The costs at the replacement location can be documented with leases, property tax information, estimates from utility companies, etc.
- Other items that the Iowa DOT considers essential to the reestablishment of the operation. Any expense the Relocation Advisor believes should be considered for reimbursement should be brought to the attention of the Relocation Supervisor and/or Production Coordinator.

In the case of more than one building/tenant on one parcel the landlord is entitled to only one Reestablishment payment.

### ***Ineligible Reestablishment Expenses***

The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary or otherwise eligible:

- Purchase of capital assets such as office furniture, filing cabinets, machinery or trade fixtures.
- Purchase of manufacturing materials, production supplies, product inventory or other items used in the normal course of the operation.
- Interest on money borrowed to make the move or purchase the replacement property.
- Expenses incurred to reestablish a part-time business in the home which does not contribute materially to the displacee's income. See definition later in this Chapter.

## ***Contribute Materially***

The term “contribute materially” is defined in 761 IAC 111.305(5) (f) as “*The business contributed materially to the income of the displaced person during the two taxable years prior to displacement.*” The Iowa DOT may elect to consider other periods if deemed to be more equitable. Basic parameters may be described as follows:

- The income from the business resulted in average annual gross receipts of at least \$5,000
- The income from the business resulted in average net earnings of at least \$1,000
- The income from the business resulted contributed at least 33 1/3 percent of the owner’s or operator’s average annual income from all sources.

## ***Non-Residential Fixed Payment for Moving Expenses or In Lieu of Payment***

A displaced business, farm operation or NPO may be eligible to choose to accept a fixed payment in lieu of the payments for actual moving and related expenses and actual reasonable reestablishment expenses. Landlords and billboard owners are not eligible for a Fixed Payment.

Payment under this category can range from a minimum payment of \$1,000 to a maximum payment of \$20,000.

There are several advantages to the fixed payment. First, it is simple to administer and relieves the Iowa DOT and the displacee of having to detail actual moving costs. Second, it provides flexibility for the displacee to use the fixed payment to cover those costs it deems to be most important. This can be especially useful for the eligible operation which chooses not to reestablish and may have to cover loss of income or the cost of discontinuing operations.

Not all small businesses, farm operations or NPO’s will be eligible for a fixed payment under this category. To be eligible for this payment, the displacee must meet certain criteria. Specific requirements and payment calculations for small businesses, farm operations and nonprofit organizations are slightly different and each is discussed separately.

### ➤ *Small Businesses*

A displaced business is eligible for a fixed payment in lieu of actual costs of moving and related expenses and reestablishment expenses if the Iowa DOT determines that the business meets ALL of the following criteria:

- The business owns or rents personal property which must be moved and for which an expense would be incurred in such move and the business vacates or relocates from the displacement site. The amount of personal property to be moved must be significant enough to require an expense.

- The business cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings). The displacee is assumed to meet this requirement unless the Iowa DOT determines otherwise.

It would be difficult to demonstrate that a business does not meet this criteria. However, there are some types of businesses that would not lose patronage that are off-site or location is not a factor in conducting their business. Examples are those who do business strictly by mail or telephone; or in some cases, satellite office locations.

If the Relocation Advisor believes that no substantial loss will be incurred and assembles appropriate documentation, it should be submitted to the Relocation Supervisor for approval.

- The business is not part of a commercial enterprise having more than three other entities which are not being acquired. This criteria excludes chain operations from receiving a fixed payment.
- The business is not operated at the displacement dwelling solely for the purpose of renting such dwelling to others. This criteria excludes the residential landlord from receiving a fixed payment..
- The business is not operated at the displacement site solely for the purpose of renting the site to others. This criteria would exclude the landlord of the business from receiving a fixed payment.
- The business contributed materially to the income of the displacee during the two taxable years prior to displacement.
  - ❖ Produced average annual gross receipts of at least \$5,000
  - ❖ Produced average annual net earnings of at least \$1,000
  - ❖ Contributed at least one-third of the average annual gross income from all sources.

In rare cases, the application of this criteria may create an inequity or hardship for the displacee. The Iowa DOT will consider the use of other criteria in these instances.

In some instances there may appear to be more than one business displaced. Under some circumstances, two or more businesses may have to be treated as a single displacement which is entitled to only one fixed payment. When this is an issue, it should be discussed with the Relocation Supervisor and/or Production Coordinator. Factors to be considered when determining the number of displacees include:

- The extent to which the same premises and equipment are shared. Lease agreements, if any, can indicate specific arrangements or agreements.

- The extent to which substantially identical or interrelated business functions are carried out. Business cards, telephone listings, advertising, etc. can provide documentation.
- The extent to which the business and financial affairs are co-mingled. Income tax records may be a good indicator.
- The extent to which their clientele or general public consider them to be one or more than one entity.
- The extent to which the same person(s) or closely related persons own, control or manage the affairs of the business(es).

Many times, for tax purposes, the displacee will establish more than one corporation, all “under one roof”. These situations may require a judgment call and the Relocation Advisor should prepare a note to the file that adequately explains the reasons for either the existence of one business or the existence of more than one business.

A displaced business that meets ALL of the above criteria is eligible to receive a payment of \$1,000 to \$20,000.

The payment is a calculation based on the average net earnings of the business for the two years prior to displacement. In Iowa, if the business had a loss during one year, they are not penalized, but rather, the net income for that year is considered to be zero.

Examples: The business was displaced (or moved) in 2012.

Net Income for 2010:	\$ 15,000
Net Income for 2011	\$ 18,000
Two Year Average:	\$ 16,500

The fixed payment calculated is \$16,500

Net Income for 2010:	\$ 17,000
Net Income for 2011:	\$ 25,000
Two Year Average:	\$ 21,000

The fixed payment calculated is \$20,000, the statutory maximum.

Net Income for 2010:	\$ 12,000
Net Income for 2011:	\$ (5,000)
Two Year Average:	\$ 6,000

The fixed payment calculated is \$ 6,000 because the net income for 2011 was considered to be zero.

If the business was not in operation for the full two years prior to displacement, net earnings will be prorated and projected to an annual amount for the partial year or over a two year

period, whichever is greater.

Example: The business started up in March, 2010, and the net income for the ten months of operation in 2010 was \$ 15,000, or \$1,500 per month. The projected net income for 2010 is then \$18,000 (\$1,500 per month times 12 months). The business had net income of \$20,000 in 2011. The calculated fixed payment is \$19,000.

2010 Projected Income 12 mo. @ \$1,500/mo.	\$18,000
2011 Actual Income	\$20,000
Two year average	\$19,000
Fixed Payment is	\$19,000

Example: The business started up in March, 2010, and the net income for the ten months of operation in 2010 was \$5,000, or \$500 per month. The projected income for 2010 was \$6,000 (\$500 per month times 12 months). The business had net income of \$16,000 in 2005. The calculated fixed payment is \$11,000.

2010 Projected Income 12 mo. @ \$ 500/mo.	\$ 6,000
2011 Actual Income	\$16,000
Two year average	\$11,000
Fixed Payment is	\$11,000

An alternative method of calculating the fixed payment is available. Considering the total net income of \$22,000 for the 22 month period the average monthly income becomes \$1,000 per month that the displacee was in operation. \$1,000 per month would project a two year net income of \$24,000, or a fixed payment of \$12,000.

2010 and 2011 Projected Income 24 mo. @ \$1,000/mo.	\$24,000
Two year average	\$12,000
Fixed Payment is	\$12,000

This alternative method averages in the slow first year of operation and spreads those startup costs over the entire calculated period. In this example, the displacee would be offered a fixed payment of \$12,000.

Average annual net earnings may be based on a different time period for good reason. These reasons must be beyond the displacee's control such as: family illness, economic downturn, strikes, etc. However, the years used in the calculation must be consecutive in order to avoid a payment based on a "pick and choose" process.

Net earnings include any compensation obtained from the business by the owner, the owner's spouse and the owner's dependents.

In order to qualify for a fixed payment calculation, the displacee must furnish the Iowa DOT

proof of net earnings through income tax returns for the covered years. The vast majority of fixed payment calculations are performed using bonafide income tax returns. All submittals must include the complete, signed return for the covered years.

In certain instances, financial statements can be used but they must be certified by the preparer and must reflect realistic NET earnings. If the displacee fails to provide sufficient documentation to calculate the fixed payment, the displacee is not eligible for payment.

If the small business intends to claim only the minimum payment of \$1,000 a statement signed by the owner of the business indicating that fact is generally sufficient to document the file and generate payment. There may be cases when more documentation is needed and the Relocation Supervisor and/or Production Coordinator should be consulted.

There are a number of categories of businesses and thus methods of income tax reporting. Each is somewhat different in structure, taxability and in the method of calculating of net earnings. The following explains each type and how the calculation of net earnings is determined based on 2000 Internal Revenue Service forms and schedules.

## **Chapter Eight Overview**

- There are several types of Non-Residential Displacements
  - ❖ Small Business
  - ❖ Farm Operation
  - ❖ Non-Profit Organization
  - ❖ Tenant/Leaseholder
  
- We need to identify the different types of ownerships in Non-Residential Displacements, and recognize how they file their taxes
  - ❖ Sole Proprietorship
  - ❖ Partnership
  - ❖ Limited Liability Company (LLC)
  - ❖ Corporation
  - ❖ S Corporation
  - ❖ Farm Operations
  - ❖ Non-Profit Organizations
  
- All non-residential displacees are entitled to actual, reasonable and necessary moving expenses
  - ❖ Self-Move
  - ❖ Commercial Move
  - ❖ Eligible Non-Residential Moving Expenses
  - ❖ Ineligible Non-Residential Moving Expenses
  - ❖ Related Non-Residential Eligible Expenses (761 IAC 111.303) Emphasizing 111.303(b) by “others”
  
- Different types of moves are available
  - ❖ Self-Moves of less than \$2,000
  - ❖ Self-Moves of Less than \$5,000
  - ❖ Complicated Self-Moves and Actual Moves of More than \$5,000
  - ❖ Actual Cost Self-Moves
  - ❖ Direct Payments
  - ❖ Transfer of Ownership
  
- The Relocation Advisor must assist in preparing for the non-residential move
  
- Reestablishment Payments are available to non-residential displacees
  - ❖ Eligible Reestablishment Payments
  - ❖ Ineligible Reestablishment Payments
  - ❖ Contribute Materially
  
- Non-Residential Fixed Payment for Moving Expenses or In Lieu of Payment
  - ❖ Qualifications
  - ❖ Examples



## **Chapter Nine** **Advertising Devices (Signs)**

When an advertising sign is located within the proposed acquisition area and the device may be moved to another location, it is considered a non-residential personal property move and the owner of the sign is eligible for reimbursement of those actual and reasonable expenses that the Iowa DOT determines to be necessary for a successful move. If the device cannot be moved to another location, the device will be considered as real property and acquired.

The relocation of an advertising sign (generally off-premise) may be subject to Iowa laws regulating outdoor advertising along the state's primary and interstate highways. The law defines various types of outdoor signs and presents the general prohibitions and controls which apply to outdoor advertising.

### ***General Prohibitions***

These general prohibitions apply to all types of signs involving relocation activities.

- No sign may encroach on or hang over the highway right of way.
- No sign may be lighted so that it impairs the vision of any motor vehicle driver.
- No sign may obstruct the view of any highway or railroad to the extent it makes it dangerous to use the highway.
- No sign may imitate or resemble an official traffic control sign, signal or device.
- No sign may obscure or physically interfere with an official traffic control sign, signal or device.

Advertising signs may be categorized into two main groups: On-Property Signs and Off-Premise Signs.

### ***On-Property Signs***

On-property signs advertise the principal product sold or activity conducted on the property where the sign is located and may concern the sale or lease of the property on which the sign is located. "For Sale" or "For Lease" signs displaying the legend "Sold" or "Leased" are not legal on-property signs. Political signs are considered on-property signs.

The general prohibitions cited above apply to on-property signs. These signs may require local, city or county permit or approval. However, they do not require state permit or approval, if the signs conform to the following criteria.

- *Location:* Signs must be located on the same property as the advertised activity. Signs cannot be located on narrow strips of land that cannot be put to any reasonable use

directly related to the advertised activity other than signing.

- *Message:* Messages on signs are limited to advertising only those products sold or activities conducted at the sign site. When a sign consists principally of brand name or trade name advertising and the product or service advertised is only incidental to the principal activity, or if it brings rental income to the property owner, it shall be considered outdoor advertising and not an on-property sign.

### ***Off-Premise Signs***

The Advertising Management Section in the Office of Traffic and Safety at the Iowa DOT defines off-premise signs as those signs displaying general advertising about products or services available at locations other than at the sign site.

Advertising Management distributes a brochure entitled “*Guide to Outdoor Advertising Sign Regulations*”, which generally refers to billboards with the above definition and also discusses Off-Right of Way Private Directional Signs, County, Municipal and School District Recognition Signs and Church and Service Club signs separately. These are signs we will always relocate.

The “*Guide to Outdoor Advertising Sign Regulations*” provides a general overview of current regulations. For specific regulations, please refer to Iowa Code Chapters 306B and 306C. The Iowa rules can be found at 761 IAC, Chapter 117.

### ***Off-Right of Way Private Directional Signs***

These signs inform of public and privately owned natural phenomena, historic, cultural, scientific, educational and religious sites, and areas of natural scenic beauty naturally suited for outdoor recreation.

When relocating a permitted sign, the Relocation Advisor can assume these signs meet the visitor count criteria set forth in the guide. In addition to the General Prohibitions, these signs must conform to a number of controls including location, size, number, spacing, message, lighting and other special requirements.

### ***County, Municipal or School District Recognition Signs***

These types of devices are signs that welcome travelers to a county, community or school district display or a similar public spirited message.

These signs are limited to displaying a message that identifies the county, city or school district, its boundaries, public services and attractions of a scenic, historical, cultural, scientific, educational nature. Commercial advertising on a recognition sign is prohibited. In addition to the General Prohibitions these signs must conform to a number of controls including location and message content.

## ***Church and Service Club Signs***

These signs display a message relating to the facilities' locations, services or meeting. In addition to the General Prohibitions these signs must conform to a number of controls, size and message content. Recognition, church and service club signs may be erected on a common structure providing each category of signing conforms to the criteria established by Advertising Management.

Special event signs and Tourist Oriented Directional Signs (TODS) will not involve relocation activities. With the exception of special event signs, all off-premise signs require permits (outdoor advertising or directional signing). However, all signs must meet the general provisions cited above.

## ***The Process***

The owner of a legal sign, that is displaced as a result of the project, will be reimbursed the actual and reasonable expenses determined by the Iowa DOT.

Please note the amount of a payment for direct loss of tangible personal property for an advertising sign is the **lesser** of:

- The depreciated reproduction cost of the sign, as determined by the Appraisal section or their designee, less the proceeds from its sale or
- The estimated cost of moving the sign, with no allowance for storage.

The owner of an advertising sign is NOT eligible for reestablishment expense, because owners of an advertising device are specifically excluded. See 761 IAC 111.2(27)

There are instances when an advertising sign will be appraised and acquired as real property, rather than relocated.

- When there is an on-property advertising sign on a total acquisition, the sign will be appraised as part of the real property.
- When the advertising sign cannot legally be moved back onto remaining land because of zoning or spacing requirements.
- When the cost to move the structure is not physically possible or economically feasible.

In some instances the sign and/or structure supporting the sign cannot physically or economically be moved. These structures should be appraised and purchased as real property. Since it is often prohibitive to attempt to move a block sign or a sign with extensive brickwork, the Relocation Advisor should obtain contractors' estimates for new construction.

The Advertising Management Section of Traffic and Safety will provide an inventory of advertising signs on a given project. This inventory will indicate which parcel the sign is

located on, stationing and offset (left or right of centerline), sign description or message, name of the sign owner, permit number (if applicable) and the recommended action to be taken. Also included in this submittal is the Advertising Device Inventory form and a copy of the approved Advertising Permit Application, if applicable.

While the Relocation Advisor is not expected to become an expert in signs, they should be familiar enough with the process to relocate the sign (essentially like other personal property moves) and direct the more technical questions to the experts in Advertising Management.

For permitted signs, the Relocation Advisor should provide the sign owner with the appropriate permit application, because the sign cannot be re-erected until AFTER the new application has been approved and on file with Advertising Management. Permit fees are reimbursable as a moving cost. No state fees are charged for recognition, church and service club signs.

In some instances, a recognition, church or service club sign could be in compliance except for lacking the actual permit. In these cases, the Relocation Advisor will provide two permit applications to the sign owner; one for the existing sign and one for the new proposed location. If adequate data is available, the application for the existing location can be pre-completed by the Relocation Advisor and ready for the owner's signature.

The application should be sent to Advertising Management for approvals. The advisor should write the ROW project number across the top of ALL applications in order to expedite processing.

Searching expenses are also an allowable related expense for off-premise signs even though the owner of the sign may just be relocating the sign back on remaining land. This is justified because of a change in site location which necessitates the negotiation of a new or amended lease for the new sign site. Searching expenses are discussed in Chapter Eight.

## **Chapter Nine Overview**

- Advertising Devices are controlled and regulated.
- The Advertising Control Section, Office of Traffic and Safety is the Office responsible for regulating signs.
- Several types of signs exist, all with different regulations.
- If the sign can be moved the Iowa DOT generally treats as personal property, and provides applicable Relocation Assistance.
- If the sign cannot be moved, the Iowa DOT generally treats the sign as real property and acquires as such.



## **Chapter 10** **Miscellaneous**

This final chapter will provide discussions concerned with an assortment of issues that do not blend well with the other chapters and do not warrant a separate chapter for each of the items presented.

### ***Claims and Payments***

#### ***Process for Payment***

A claim for payment should be submitted to the Production Coordinator for review, with the appropriate documentation. Bona fide estimates and/or receipts are required for payment. Upon satisfactory review by the Production Coordinator, the claim is then submitted for payment to the Payment and Audit Unit of the Office of Right of Way.

The Payment and Audit Unit will review the claim to ensure such things as project number, parcel number, correct spelling of names of displacee, vendors, addition, etc. are correct. Any questions will be resolved with the appropriate advisor and/or the Relocation Supervisor. A voucher will be prepared and submitted for the preparation of a payment warrant and the file will be promptly returned to the Relocation Assistance Section. Processing for payment usually takes seven to ten working days.

#### ***Advance Payments***

At times it is necessary to make an advance payment in order to reduce a hardship to the displacee. Funds can be advanced subject to safeguards. In the instance when the displacee needs the RHP funds to close on the replacement dwelling, the displacee is required to sign an agreement to perform. The form required for the advancement of funds is the *Relocation Housing and Possession Agreement*. Other advance (partial) payments may be necessary to enable the displacee to complete a transaction, rent necessary moving equipment, close on the replacement house, etc., prior to actually moving or giving possession of the acquired property. In these instances the Relocation Supervisor and/or Production Coordinator should be consulted. The Relocation Advisor shall advise the displacee of the requirements for the early release of funds. The Relocation Advisor shall clearly document the file.

#### ***Deductions From Relocation Assistance Payments***

No payment will be withheld from a displacee to satisfy an obligation to any creditor.

## ***Time for Filing Claims***

All claims for payment must be filed within a specific time frame unless there are extenuating circumstances. This time frame is dependent on occupancy status.

- Tenants must claim payments within 18 months after the date of their move from the displacement.
- For owners, the date is the later of:
  - ❖ 18 months after the actual date moved, OR,
  - ❖ 18 months after the final acquisition payment, including condemnation or court awards.

In all residential cases, the eligible expenses must be incurred within 12 months. Business relocations are allowed 18 months to incur and claim.

## ***Not Considered as Income***

Relocation Assistance payments are not considered as income for tax purposes. However, the Relocation Advisor should avoid giving the impression of providing tax advice.

## ***Computing Relocation Payments***

If any member(s) of a household or owner(s) of an unincorporated business, farm, or nonprofit organization is determined to be ineligible because of a failure to be legally present in the United States, no relocation payments will be made to that person.

Any payments for which a household, unincorporated business, farm or nonprofit organization would otherwise be eligible will be computed as follows:

- For a household, payment will be based on the number of eligible members.
- For the unincorporated business, farm or nonprofit organization, payment will be based on the ratio of ownership between eligible and ineligible owners.

Unless a person who is determined not to be a legal resident of the United States can demonstrate that the denial of relocation benefits will result in an “exceptional and extremely unusual hardship” to the person’s spouse, parent or child who is a citizen of the United States or is an alien lawfully admitted for permanent residence in the United States, no relocation payments or advisory services will be paid.

“Exceptional and extremely unusual hardship” means that the denial of relocation payments and advisory services will directly result in:

- A significant and demonstrable adverse impact on the health or safety of such spouse, parent or child;
- A significant and demonstrable adverse impact on the continued existence of the family unit of which such spouse, parent or child is a member; or
- Any other impact that the Iowa Department of Transportation determines will have a significant and demonstrable impact on such spouse, parent or child.

### ***Project Files***

The assigned Relocation Advisor is responsible for maintaining a parcel file for each displacee. When one parcel has both a residential and non-residential move, the Relocation Advisor will maintain a parcel file for each. This file will contain all information specific to that parcel and will contain all documentation needed to support payment of relocation benefits. A Summary of Payments form will be in each file to assist in an up to date review of remaining eligibility. The Relocation Advisor will complete the Parcel Check Sheet and submit the parcel for review within 45 days after completion of (known) relocation assistance activities. Parcel files should not be held for review until the expiration of eligibility for funds.

All information gathered on a project that is not parcel specific should be included in the Project General File. This includes:

- Relocation Plan
- Public Hearing Information
- Sign Information
- ROW Design Submittal Housing Offers of Relocation Assistance
- General Correspondence Building & Moving Cost Data Financial Information

### ***Relocation Appeal Process***

The appeal process should be explained by the Relocation Advisor to anyone who believes that the Iowa DOT has failed to properly determine the amount of, or eligibility for relocation benefits. This process is designed to be an uncomplicated procedure for the resolution of grievances relating to claim or eligibility review.

A request for review should be submitted in writing within 60 days after written notification of a relocation assistance determination has been sent or delivered to the displacee. The request should outline the items or issues and amounts in dispute and provide documentation supporting the position. The request for review should be submitted to:

Director, Highway Division  
Iowa Department of Transportation  
800 Lincoln Way  
Ames, IA 50010-6993

### ***Response to Request***

The Relocation Supervisor will review the claim and attempt to resolve the dispute prior to arranging a hearing. If there is a resolution, it will be approved by the appellant in writing. A hearing will then not be necessary.

### ***Appeal Review Board***

If the claim cannot be resolved, the Highway Division Director will appoint a three-person review board consisting of persons who have not been involved directly in the matters under appeal. These persons will be familiar with the statutes and regulations involved and review the Department's records that relate to the matters under appeal. One member of the review board will be the District Engineer, or their designee.

The Relocation Supervisor will attempt to schedule a time and location convenient to the appellant and will notify the review board, as well as the appellant. Legal counsel for the appellant is not necessary; however, they do have the right to counsel, at their expense.

### ***Hearing Agenda***

During the hearing, both the appellant and relocation representative will be given a full and equal opportunity to be heard. Both parties may present oral and written information on an informal basis without regard to rules of evidence. Each may object to the information presented and may question those presenting the information.

The appellant may inspect and copy materials pertinent to the claim, except, those items that are, by law, confidential and not open to public inspection. Consistent with applicable law, the Department may impose reasonable conditions on this activity.

### ***Determination of the Decision***

Promptly after all information is submitted by the appellant, the committee shall prepare a decision. The review board may refer back to notes of oral and written information. An internal document will be prepared as a written summary of the information considered and a listing of documents received. This document will be included in the appeal file.

The decision will award all benefits and payments for which the appellant is deemed to be eligible. This decision will also report the rationale underlying the decision, showing appropriate calculations and cite the sections of the law or regulations that support the determination.

## ***Decision***

Using the Report of Appeal Award, the decision of the review board will be reported to the Highway Division Director. The Director will then forward the results to the Relocation Supervisor. At that time, the Relocation Supervisor will notify the appellant in writing and provide a copy of the appeal award. The appellant will also be informed, in writing, of their right to seek judicial review.

All information relating to the claim may be sent by regular mail. The appeal payments, if any, will be reported and accepted by the Department and will be vouchered by the appropriate section in the amount determined by the appeal board and shown in the Report of Appeal Board.

All records related to the claim will be retained in the Relocation Assistance Section for three years after the final payment is made for project right of way.



## APPENDIX

### ***Applicable Forms for All Types of Relocations***

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# Iowa Department of Transportation

800 Lincoln Way, Ames, IA 50010

515-239-1135 (Phone)

515-239-1247 (Fax)

date

**When corresponding, refer to:**

County: \_\_\_\_\_

Project No.: \_\_\_\_\_

Parcel No.: \_\_\_\_\_

**NOTICE OF RELOCATION ELIGIBILITY**

name & address

Dear \_\_\_\_\_:

It is the intent of the Iowa Department of Transportation to acquire a portion of the property you own at \_\_\_\_\_.

Please be advised that any move on your part shall not jeopardize your eligibility or benefits under the Relocation Assistance Program.

\_\_\_\_\_, your Relocation Agent, will continue to assist you as this project progresses.

Sincerely,

Douglas C. Bates.  
Acquisition/Relocation Supervisor  
Office of Right of Way.

DCB: ms

Cc: Relocation Advisor





**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**RECEIPT FOR BROCHURE**

County \_\_\_\_\_

Project \_\_\_\_\_

Parcel \_\_\_\_\_

I certify that I am the \_ located at \_\_\_\_\_ and that I have personally received a copy of the Project Development Division - Iowa Department of Transportation brochure which explains relocation assistance and advisory services as included in the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended by the Uniform Relocation Amendments of 1987 and Chapters 6B and 316, Code of Iowa.

This is also to certify that I am a legal resident of the United States of America.

I understand that if I am not a legal resident or if I move before negotiations are started for my property rights or move before I receive a written offer of my relocation benefits, I may lose eligibility of my relocation benefits.

Signed \_\_\_\_\_ Signed \_\_\_\_\_

Date \_\_\_\_\_

Date

\_\_\_\_\_

Presentation of Brochure by:

\_\_\_\_\_

Relocation Assistance

Advisor





**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**ESTIMATED COST OF SELF-MOVE OF  
PERSONAL PROPERTY**

County \_\_\_\_\_  
Project No. \_\_\_\_\_  
Parcel No. \_\_\_\_\_

Persona Owner \_\_\_\_\_  
Address \_\_\_\_\_  
Location of person to be moved \_\_\_\_\_

Replacement location for person \_\_\_\_\_

Proposed move  
date \_\_\_\_\_

Items to be moved (attach additional sheet if necessary)

\_\_\_\_\_

---

**Estimated costs:**

Lump sum Agent's estimate: \$ \_\_\_\_\_

If \$1,501 or more:

**EQUIPMENT**

_____	,	_____ hours	@ \$_____ /hours	= \$_____
_____	,	_____ hours	@ \$_____ /hours	= \$_____

**LABOR**

---

_____ persons	@ \$_____ /hr	x _____ hrs	= _____
_____ persons	@ \$_____ /hr	x _____ hrs	= _____

I concur with the above inventory and estimated cost.

\_\_\_\_\_  
Relocatee

\_\_\_\_\_  
Date

Submitted by:

\_\_\_\_\_  
Right of Way Advisor

\_\_\_\_\_  
Date



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**ASSIGNMENT OF INTEREST**

I, \_\_\_\_\_ hereby authorize and request the Iowa Department of Transportation to make payment directly to \_\_\_\_\_ in the amount of \$\_\_\_\_\_ for a bill dated \_\_\_\_\_.

These expenses are true, just, and unpaid and were incurred in my relocation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Federal Tax ID No. \_\_\_\_\_

W-9 on File





- \$ \_\_\_\_\_ Storage Total \$ 0.00  
 "Estimated Cost of Self-Move of Personal Property"  
 "Fixed Payment for Business Move"  
 "Receipt for Warrant Acknowledgement"  
NA Copy of Approved Purchase Agreement or Condemnation Award & Hearing Report  
NA Business Move Estimate  Agent  Moving Company  
NA Inventory  List  Pictures

**APPEAL:**

Request for Appeal Received	Date: _____	_____ Moving	_____ Moving
"Report of Appeal Award"			
Request for Appeal Acknowledged	Date: _____	_____ Housing	_____ Re-establishment
Appeal Board Appointed	Date: _____	_____ Increased	_____ Searching
Notice to Claimant of Appeal Hearing	Date: _____	_____ Interest	_____ In-Lieu
Hearing Date: _____	Date: _____	_____ Incidentals	Total _____

**NOTE:** Acknowledge Each Item as follows:  Applicable  Not Applicable

Submitted By: \_\_\_\_\_ Date \_\_\_\_\_  
 Reviewed By: \_\_\_\_\_ Date \_\_\_\_\_

Minority File



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**RECEIPT OF WARRANT ACKNOWLEDGEMENT**

TO WHOM IT MAY CONCERN:

I, \_\_\_\_\_, hereby acknowledge receipt of  
the following warrant(s) from the Iowa Department of Transportation.

<b>NAME</b> <i>(if other than above)</i>	<b>WARRANT #</b>	<b>AMOUNT</b>

This warrant(s) is received as reimbursement of true and just expense incurred in the relocation of my **residence**.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**OFFICE OF RIGHT OF WAY  
REPORT OF RELOCATION  
ASSISTANCE APEAL AWARD**

County: \_\_\_\_\_

Project No. \_\_\_\_\_

Parcel No. \_\_\_\_\_

To: \_\_\_\_\_, Relocation Assistance Supervisor

We, the undersigned, being duly appointed and qualified members of the Appeal Board appointed to assess the relocation assistance payments due the owners and/pr tenants as set forth in the Uniform Relocation Assistance & Real Property Policies of the 1970 and Chapter 316 Code of Iowa respectfully report as follows:

That we proceeded to view the respective premises and comparables at the time or times fixed in the notice to persons interested and do hereby asses and affix the relocation payments which the respective persons will receive as follows:

	Replacement Housing Reimbursement	Moving Costs (Loss of Business)	Incidental Transfer Costs	Total Award
	\$	\$	\$	\$
	\$	\$	\$	\$

Respectfully reported at \_\_\_\_\_, Iowa, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Signature	Title
Signature	Title
Signature	Title

Filed in my office at Ames, Iowa, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Relocation Assistance Supervisor





Iowa Department of Transportation  
OFFICE OF RIGHT OF WAY - RELOCATION

**KEEP VACANT AGREEMENT**

Parcel No. \_\_\_\_\_ County \_\_\_\_\_  
Project No. \_\_\_\_\_

THIS AGREEMENT, entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, hereinafter designated as the "Owner" and the Iowa Department of Transportation, hereinafter designated as the "Department".

The Owner agrees not to lease to any tenant the following described property situated on the above project, located at: \_\_\_\_\_

In consideration of the following terms, provisions, and conditions:

- 1. TIME PERIOD:** The duration of this Agreement shall be from the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, until the date title is to be conveyed per the terms of a signed purchase agreement or the date of condemnation, which ever is applicable. It is understood no extensions will be given.
- 2. CONSIDERATION:** The Department shall pay an amount equal to the rental in the amount of \$\_\_\_\_\_ per month that the premises are vacant during the term of this agreement. Payment shall be paid every month, in arrears, by the 10th day of the succeeding month during the time period of this agreement. Should this agreement be terminated prior to the last day of the month, the rent will be prorated.
- 3. TERMINATION:** This agreement will be terminated without further notice, on the date described in Item 1. The Department also reserves the right to terminate this agreement upon 30 days notice to the Owner in writing.

*Nothing in this agreement shall be construed to create a landlord-tenant relationship between the Owner and the Department.*

**OWNER:**

**IOWA DEPARTMENT OF TRANSPORTATION:**

\_\_\_\_\_  
Name Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State & Zip

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Telephone Number





# Iowa Department of Transportation

OFFICE OF RIGHT OF WAY – RELOCATION

## SUBJECT INSPECTION SHEET

Owner

County \_\_\_\_\_ Project No. \_\_\_\_\_ Parcel \_\_\_\_\_  
 Name: \_\_\_\_\_ Tel No.: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City, State Zip: \_\_\_\_\_

FULL NAME	AGE	RELATIONSHIP	PLACE OF EMPLOYMENT/SCHOOLS	MONTHLY INCOME
		Head of House		\$
				\$
				\$
				\$
				\$

Number of Persons: \_\_\_\_\_ Total Gross Monthly Family Income: \$ \_\_\_\_\_

Date of Occupancy: \_\_\_\_\_  White  Minority

ROOM DIMENSIONS/FEATURES	FINANCIAL INFORMATION
	<b>Owner-Occupant</b>
	Mortgage: <u>No</u>
	Lender: _____
	Tel. No.: _____
	Original Balance: \$ _____
	Current Balance: \$ _____
	Remaining Term: _____ months
	Payment: \$ _____
	Interest Rate _____%
	Loan Number: _____
	<b>Tenant Occupant</b>
	Monthly Rent: \$ _____
	Est. Monthly Utilities: + _____
	Base Monthly Rental= \$ _____

**ROOM DIMENSIONS/FEATURES**

LIVING ROOM \_\_\_\_\_

DINING ROOM \_\_\_\_\_

KITCHEN \_\_\_\_\_

BEDROOM(S) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OTHER \_\_\_\_\_

\_\_\_\_\_

LAUNDRY Main Floor

**UTILITIES:**

- Electricity:       110 Volts    220 Volts
- Heating             Propane             Natural Gas             Electric
- Water                 Public Water       Well
- Sewer                 Public Sewer       Septic System
- Sump Pump         Smoke Alarm, No. \_\_\_\_\_       Security System

Miscellaneous Features: \_\_\_\_\_

Inspection Comments: \_\_\_\_\_

*This house has been viewed and to the best of my knowledge does not meet the requirements for decent safe and sanitary housing in accordance with 49 CFR, Part 24-Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs and Divisions of Highway Department Rules.*

By: \_\_\_\_\_

Relocation Advisor

**Comparable**

\_\_\_\_\_ Date



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**COMPARABLE INSPECTION SHEET**

ROOM DIMENSIONS	LISTING or SELLING INFORMATION
Living Room _____ Dining Room _____ Kitchen _____ Bedroom(s) _____ _____ _____ _____ Other _____ _____	Firm: _____ Agent: _____ Type of Listing: MLS Reference No: _____ Tel. No.: _____ Listing/Rental Price:\$ _____ Average Utilities \$ _____ Comp Address: _____ City: _____ Location/Directions: _____ Type of Property: Urban

USE: Single Family      **SCHOOLS:**      **OFF-SITE:**      Lot Size: \_\_\_\_\_

Elementary \_\_\_\_\_       Paved Street  
 Middle \_\_\_\_\_       Gravel Street/Road  
 High School \_\_\_\_\_       Curb & Gutter

**EXTERIOR**

Type of House: \_\_\_\_\_      Construction: Frame      Age: \_\_\_\_\_  
 Siding Type: \_\_\_\_\_      Condition: \_\_\_\_\_      Foundation: \_\_\_\_\_      Condition: \_\_\_\_\_  
 Windows: \_\_\_\_\_      Condition: \_\_\_\_\_      Roof: Asphalt      Condition: \_\_\_\_\_  
 Other: \_\_\_\_\_      State of Repair: \_\_\_\_\_

**INTERIOR**

Gross Area: \_\_\_\_\_ S.F.      Habitable Area: \_\_\_\_\_ S.F.      Meets Habitable Area Standard:  
Yes  
 Number of Rooms: \_\_\_\_\_      Including \_\_\_\_\_ Bedrooms      Safe, Unobstructed Egress: Yes

**Bathroom: No.** \_\_\_\_\_      **Yes**  **No**

a. Well Lighted         
 b. Ventilated         
 c. Bath Tub/Shower         
 d. Lavatory         
 e. Hot and Cold Water         
 f. Flush Water Closet         
 g. Connection to Sewage System         
 h. Affords Privacy     

**Kitchen Area Contains:**      **Yes**  **No**

a. Sink in good working condition with hot and cold water         
 b. Sewage Disposal System         
 c. Utility Service Connections         
 d. Space for Installation of Appliances     

Type of Heating System: Forced Air Adequate? Yes      A/C \_\_\_\_\_  
 Adequate Supply of Potable Water? Yes  
 Provision for Artificial Lighting Each Room: Yes      If Rental, Furnished? No

**Basement:** \_\_\_\_\_ Finished: \_\_\_\_\_ %      **Adequate Egress for Livable Use:** No  
**Garage:** None \_ Car

**UTILITIES:**

- Electricity:       110 Volts    220 Volts
- Heating             Propane         Natural Gas             Electric
- Water                 Public Water    Well
- Sewer                 Public Sewer    Septic System
- Sump Pump         Smoke Alarm, No. \_\_\_\_\_       Security System

Miscellaneous Features: \_\_\_\_\_  
 Inspection Comments: \_\_\_\_\_

*This house has been viewed and to the best of my knowledge does not meet the requirements for decent safe and sanitary housing in accordance with 49 CFR, Part 24-Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs and Divisions of Highway Department Rules.*

By: \_\_\_\_\_

Relocation Advisor

\_\_\_\_\_ Date

Comparable

<b>Total estimated cost of new replacement housing</b>	\$
<b>Less estimated value of the residential portion of the taking</b>	
<b>TOTAL DIFFERENCE</b>	\$

It is my understanding that this determination may be used in connection with a Federal Aid highway project.

I hereby certify that I have no direct or indirect present or contemplated personal interest in this transaction; that I will not derive any benefit from the supplemental payment provided; that compensation for this determination of supplemental payments is not contingent upon any value conclusions as herein set forth and that the statements herein are true to the best of my knowledge and belief.

Signed \_\_\_\_\_  
 \_\_\_\_\_, Relocation Assistance Advisor

\_\_\_\_\_ Date



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**RESIDENTIAL ESTIMATED COST OF NEW HOUSING**

County \_\_\_\_\_

Project No. \_\_\_\_\_

Parcel No. \_\_\_\_\_

Estimated Lot Costs:	\$
Remarks:	

**Estimated Cost of New Construction**

Dwelling:	Total sq. ft.		x cost/sq. ft.	\$	\$
Garage: One car - Two car					\$
Concrete Work:	Total sq. ft.		x cost/sq. ft.	\$	\$
Other ( <i>Explain in remarks</i> )					\$
<b>Subtotal</b>					<b>\$</b>
Remarks:					

**Estimated Cost of Water Supply**

Well including well system	
Other ( <i>Explain in remarks</i> )	
<b>Subtotal</b>	
Remarks:	

**Estimated Cost of Landscaping**

Ground cover: ( <i>sodding and seeding</i> )	\$
Plantings: ( <i>trees and shrubs</i> )	\$
Other ( <i>Explain in remarks</i> )	\$
<b>Subtotal</b>	<b>\$</b>

Remarks:	
----------	--

<b>Total estimated cost of new replacement housing</b>	\$
<b>Less estimated value of the residential portion of the taking</b>	
<b>TOTAL DIFFERENCE</b>	\$

It is my understanding that this determination may be used in connection with a Federal Aid highway project.

I hereby certify that I have no direct or indirect present or contemplated personal interest in this transaction; that I will not derive any benefit from the supplemental payment provided; that compensation for this determination of supplemental payments is not contingent upon any value conclusions as herein set forth and that the statements herein are true to the best of my knowledge and belief.

Signed \_\_\_\_\_  
, Relocation Assistance Advisor

\_\_\_\_\_  
Date



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**RENTAL ASSISTANCE PAYMENT  
SUMMARY AND CERTIFICATION**

**Rent Supplement Determination**

County \_\_\_\_\_

Project No. \_\_\_\_\_

Parcel No. \_\_\_\_\_

Name: \_\_\_\_\_

Tel No.: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State Zip: \_\_\_\_\_

Block A - Available Comparable Housing - For Rent:					
No.	Date	Address or Location	Rent	Est. Util.	Total
1			\$	\$	\$
2			\$	\$	\$
3			\$	\$	\$
4			\$	\$	\$

**INFORMATION FOR COMPLETION OF BLOCK B**

In Block B - The previous "rent being paid" shall include any rent supplements supplied by others except, when by law; such supplement is discontinued upon vacation of the property.

Block B - Rental Supplement Payment:	
<p>1. The Most Nearly Comparable Housing (Block No. __) Rental \$_____/month including utilities x 42 Months = \$_____ Less:</p> <p>2. Previous Rent Paid (a) if applicable or (b) or (c)</p> <p>a. Economic Rent of Occupied Rental including utilities \$____ Per Month x 42 Months = \$____</p> <p>b. Average Monthly Rent Paid During the Last 3 Months including utilities \$____ Per Month x 42 Months = \$____</p> <p>c. Low Income Household Limit for ____ County \$____ Thirty Percent (30%) of Average (Household) Gross Monthly Income \$____ Per Month x 42 Months = \$____</p> <p>3. Total Rent Supplement Payment based on lower of 2.(a) (b) or (c)</p>	\$_____

Based on above calculations the estimated amount for supplemental replacement housing due the occupant, or occupants, of this dwelling as provided by the Iowa General Assembly is: ..... \$\_\_\_\_\_

It is my understanding that this determination may be used in connection with a Federal Aid Highway Project.

I hereby certify that I have no direct or indirect present or contemplated personal interest in this transaction; that I will not derive any benefit from the supplemental payment provided; that compensation for this determination of supplemental payment is not contingent upon any value conclusions as herein set forth and that all statements herein are true to the best of my knowledge and belief.

Signed \_\_\_\_\_  
Relocation Assistance Advisor Date

\_\_\_\_\_  
Room Count  PP Offer

Reasons for Selecting Comparable Used For Computation: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

Based on above calculations the estimated amount for supplemental replacement housing due the occupant or occupants, of this dwelling as provided by Chapter 316 Iowa Code, is: \$ \_\_\_\_\_

It is my understanding that this determination may be used in connection with a Federal Aid highway project.

I hereby certify that I have no direct or indirect present or contemplated personal interest in this transaction; that I will not derive any benefit from the supplemental payment provided; that compensation for this determination of supplemental payment is not contingent upon any value conclusion as herein set forth and that all statements herein are true to the best of my knowledge and belief.

Signed \_\_\_\_\_  
, Relocation Assistance Advisor    Date    Room Count    Pers    \_\_\_\_\_



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**MORTGAGE INTEREST DIFFERENTIAL PAYMENT (MIDP)**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, State Zip \_\_\_\_\_

County \_\_\_\_\_  
Project \_\_\_\_\_  
Parcel \_\_\_\_\_

The Iowa Department of Transportation provides a payment to reimburse you for increased interest costs and other debt service costs that you incur in connection with obtaining a mortgage on your replacement dwelling.

The MIDP is contingent on: 1) the existence of a bonafide mortgage(s) that was valid lien on the displacement dwelling for at least 180 days prior to the initiation of negotiations; and, 2) a mortgage being placed on the replacement dwelling.

Payment for increased mortgage interest cost in the amount which will reduce the mortgage balance on your new mortgage to an amount which could be amortized with the same monthly payment (*principal and interest*) over the same period of time as the mortgage on the displacement dwelling.

Payment will be made for certain other debt service costs provided: 1) they are not paid as incidental expenses; 2) they do not exceed rates normal to similar real estate transactions in your area; and 3) the Iowa Department of Transportation determines them to be necessary.

Based on the current balance and terms of your existing mortgage and prevailing terms for new conventional mortgages in your area, you are eligible for an MIDP of \$\_\_\_\_\_. This payment is based on the remaining term and amount of the mortgage on the displacement dwelling and current prevailing mortgage interest rate of \_\_\_\_\_% interest with \_\_\_\_\_ points.

This eligibility is premised on your obtaining a mortgage on your replacement dwelling for a term of not less than \_\_\_\_\_ months, the remaining term of your existing mortgage, for not less than \$\_\_\_\_\_.

If you elect to obtain a mortgage in a smaller amount or for a shorter term, a recomputation will be required and your payment will change.

\_\_\_\_\_  
Relocation Advisor

\_\_\_\_\_  
Douglas C. Bates  
Relocation Assistance Supervisor

\_\_\_\_\_  
Date Submitted to Displacee

\_\_\_\_\_  
Date Prepared

- Estimated MIDP
- Actual MIDP



IOWA DEPARTMENT OF TRANSPORTATION  
HIGHWAY DIVISION  
LAST RESORT HOUSING PLAN  
(NAME) COUNTY  
(PROJECT NUMBER)  
PARCEL (###)

The needs of (Property Owner's Name) have been assessed and indicate the need to implement the provisions of 49 CFR Part 24.404 Subpart G, Replacement Housing of Last Resort.

**Circumstances of Displacee:**

(List all occupants by name, age and relationship if appropriate) are the (owner/tenant)-occupants of this (style) house (in/near) (location). This house was built in (year), and has approximately (###) square feet of habitable space. There are (#) bedrooms and (##) baths. This house has been occupied by the (Name's) since (year).

(Adult Occupants Place of Employment). They have a monthly income of approximately \$\_\_\_\_\_. (or) They did not disclose their monthly income. (Children) (is/are) a student at (Name and Location of School).

They plan to (purchase/build/rent) replacement housing in (town).

**Replacement Housing Plan:**

A relocation study was completed in (Month, Year), and indicated a maximum replacement housing payment of \$\_\_\_\_\_, based on buying/building replacement housing in (Town).

Replacement housing has been provided by making adequate funds available for the (Displacee's). Last Resort Housing provisions have been explained to him/her/them and he/she/they will comply with the payment requirements and procedures.

**49 CFR Part 24, Subpart G, Plan Requirements:**

1. The method proposed in this plan can be legally accomplished in accordance with the laws of the State of Iowa.
2. Housing is already in place/will be constructed at (New Address) in (Town) and will be occupied by the displaces by (Date).
3. A replacement housing study was completed and it was determined that \$\_\_\_\_\_ was needed to purchase replacement housing.

4. No environmental impact problems are involved.
5. The replacement housing payment will be provided by diverting project funds.
6. Monitoring was provided by personnel from the Relocation Assistance Section.
7. Last Resort Housing Funds may be paid to a third party.

We conclude that this is an equitable solution.

Prepared by:

---

(Advisor's Name)  
Relocation Assistance Advisor

Concurred by:

---

Douglas C. Bates  
Relocation Assistance Supervisor

(Date)



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**OFFER OF RELOCATION ASSISTANCE**  
**Residential**  
**Occupant of 90 through 179 days**

<b>Date Negotiations Initiated</b>	_____	<b>County</b>	_____
<b>Tenant</b>	_____	<b>Project No.</b>	_____
<b>Address</b>	_____	<b>Parcel No.</b>	_____

The Iowa Department of Transportation is authorized to make the following relocation assistance payments:

**A. Rental Assistance:**

A maximum 42 month supplement of \$\_\_\_\_\_, if needed toward the rental of decent, safe, and sanitary replacement single-family housing. This housing may be a single-family unit in a multi-family building. If the new monthly rental actually paid is less than \$\_\_\_\_\_, plus utilities, the rental assistance payment shall be reduced accordingly. The amount of the payment shall be paid in a lump sum unless the Iowa Department of Transportation determines that installment payments should be made.

That determination was based on a comparable dwelling located at: \_\_\_\_\_ .

That property, and properties located at \_\_\_\_\_ are available for your consideration as replacement dwellings.

The replacement housing must be actually occupied by the displaced person within one year of the displacement date, and where last resort housing provisions apply, all payments may be directed to a third party.

**B. Down Payment Assistance:**

An owner-occupant of from 90 through 179 days or a tenant occupant, who elects to purchase and occupy a decent, safe and sanitary single-family residence as replacement housing, is eligible for down payment assistance.

**C. Residential Moving Payment:**

1. Actual reasonable and necessary moving costs based on receipted bills from a qualified mover.

**or**

2. A scheduled moving payment of \$\_\_\_\_\_, which includes a dislocation allowance (reimbursement for various incidental costs).

**NINETY DAY NOTICE**

*You will not be required to move from your dwelling or to move your personal property sooner than , a date not less than 90 days from the date this offer was presented to you.*

By \_\_\_\_\_  
Right of Way Advisor Date

By Douglas C. Bates,  
Relocation Assistance Supervisor Date



Iowa Department of Transportation  
OFFICE OF RIGHT OF WAY - RELOCATION

**OFFER OF RELOCATION ASSISTANCE**  
**Residential**  
**Owner-Occupant of more than 180 days**

Date Negotiations Initiated \_\_\_\_\_  
Owner \_\_\_\_\_  
Address \_\_\_\_\_

County \_\_\_\_\_  
Project No. \_\_\_\_\_  
Parcel No. \_\_\_\_\_

In addition to the amount offered for the purchase of the real estate, the Iowa Department of Transportation is authorized to make the following relocation assistance payments:

A. Replacement Housing Payment:

This payment is based on a reviewed and approved acquisition price (or the acquisition price of the residential portion, if applicable) of \$\_\_\_\_\_. A maximum of \$\_\_\_\_\_ toward the purchase of replacement decent, safe, and sanitary single-family housing based on a replacement dwelling cost of \$\_\_\_\_\_ or more. If the actual replacement dwelling cost is less than the amount shown or if the acquisition price changes, the relocation payment may change. If the actual replacement dwelling cost is more than the amount shown and comparable housing is available for \$\_\_\_\_\_ the additional cost will be paid by the property owner. This determination was based on a comparable dwelling located at \_\_\_\_\_.

That property and properties located at \_\_\_\_\_ are currently available to you for your consideration as replacement housing.

B. Increased Interest Payment:

Based on information furnished to the Iowa Department of Transportation by the previous mortgage holder(s) and the new mortgage holder(s), you may be eligible for a mortgage increase differential payment. Further information is available from a Relocation Assistance Agent.

C. Incidental Expenses Payment:

The incidental expenses payment is for those actual, reasonable, and necessary expenses incurred incident to the purchase of the replacement housing. Further information is available from a Relocation Assistance Agent.

D. Rental Assistance:

An owner occupant of 180 days or more who elects to rent replacement housing may be eligible for a rental assistance payment. Further information is available from a Relocation Assistance Agent.

E. Residential Moving Payment:

1. Actual reasonable and necessary moving costs based on receipted bills from a qualified

mover.

OR

2. A scheduled moving payment of \$\_\_\_\_\_ which includes a dislocation allowance (reimbursement for various incidental costs).

The replacement housing must be actually purchased or rented, and occupied by the displaced person within one year of the displacement date.

**NINETY DAY NOTICE**

*You will not be required to move from your dwelling or to move your personal property sooner than \_\_\_\_\_, a date not less than 90 days from the date the original offer was presented to you.*

By \_\_\_\_\_ Date      By \_\_\_\_\_ Date  
Right of Way Advisor      Relocation Assistance Supervisor  
Douglas C. Bates



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**CLAIM FOR RESIDENTIAL  
RELOCATION ASSISTANCE REIMBURSEMENT**

County \_\_\_\_\_ Project No. \_\_\_\_\_ Parcel \_\_\_\_\_

APPLICATION FOR REIMBURSEMENT *(Check Applicable Items)*

- Replacement Housing Payment       Transfer Costs/Incidental Expenses In Purchase of Replacement Dwelling  
 Residential Moving Payment       Increased Interest Payment       Personal Property

1. Name _____ Subj. Address _____ Street _____ City _____ State IA Zip _____ Furnished with your Furniture? <u>Yes</u> Number of rooms occupied <i>(Excluding bathrooms, hallways and closets)</i> : 1	2. Date Moved _____ New Address _____ Street _____ City _____ State _____ Zip _____ Were household goods moved to or from storage: <u>Yes</u>
---	---

3. SCHEDULE MOVING COSTS AND DISLOCATION ALLOWANCE Amount claimed by schedule of Iowa Department of Transportation for fixed payment	\$
---	----

4. ACTUAL MOVING EXPENSES <input type="checkbox"/> Personal Property <input type="checkbox"/> Commercial Moving Expenses <i>(supported by receipted bills)</i> <input type="checkbox"/> Self-moves <i>(supported by receipted bills or other evidence of expenses)</i> <input type="checkbox"/> Storage: _____ months x \$ _____ Total Months Claimed _____ (Max 12) TOTAL OF ACTUAL MOVING EXPENSES .....	\$
--	----

5. REPLACEMENT HOUSING REIMBURSEMENT CLAIMED Type of Payment Claimed <i>(Check a, b, c, or d)</i> <input type="checkbox"/> a. Former Owner-occupant, Purchasing Replacement or retaining present housing <input type="checkbox"/> b. Former Owner-occupant, Renting Replacement Housing <input type="checkbox"/> c. Former Tenant or Roomer, Purchasing Replacement Housing <input type="checkbox"/> d. Former Tenant or Roomer, Renting Replacement Housing Payment _____ @ \$ _____ Total Months Claimed _____ (Max 42) <input type="checkbox"/> LAST RESORT      REMAINING ELIGIBLE FUNDS \$ _____ AMOUNT CLAIMED FOR REPLACEMENT HOUSING REIMBURSEMENT .....	\$
--	----

6. TOTAL OF INCREASED INTEREST PAYMENT Based upon information furnished to the State by the old and new mortgage holder(s) .....	\$
---	----

7. TRANSFER COSTS AND INCIDENTAL EXPENSES IN THE PURCHASE OF REPLACEMENT HOUSING Receipts showing these costs have been paid must be furnished by claimant .....	\$
---	----

8. PAYMENTS TO BE MADE TO: <i>(if other than claimant)</i> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:60%;">NAME</th> <th style="width:20%;">ADDRESS</th> <th style="width:20%;">AMOUNT</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td style="text-align: right;">\$ _____</td> </tr> </tbody> </table> Assignment(s) or other letters directing these payments shall be on file with: Iowa Department of Transportation, Relocation Assistance Section, Ames, Iowa 50010 - 173 -	NAME	ADDRESS	AMOUNT	_____	_____	\$ _____	_____	_____	\$ _____	_____	_____	\$ _____	
NAME	ADDRESS	AMOUNT											
_____	_____	\$ _____											
_____	_____	\$ _____											
_____	_____	\$ _____											

9. The amount of payment(s) claimed herein are Subject to Audit for Compliance with State and Federal Regulations. TOTAL AMOUNT OF THIS CLAIM .....	\$
--	----



Return to and Prepared by Valerie Goethals, Right of Way Office, Iowa DOT, 800 Lincoln Way, Ames, IA 50010, 515-239-1361.



# Iowa Department of Transportation

Office of Right of Way, 800 Lincoln Way, Ames, Iowa 50010

Phone: 515-239-1135  
Toll-Free Phone: 866-282-5809  
Fax: 515-239-1247  
[www.iowadot.gov](http://www.iowadot.gov)

## RESIDENTIAL TENANT PURCHASE AGREEMENT

**Parcel  
Number  
Project  
Number**

**County  
Route  
Number**

**Seller:** \_\_\_\_\_

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between SELLER and the Iowa Department of Transportation (BUYER), acting for the State of Iowa.

- 1) For mutual benefit, the BUYER agrees to purchase and SELLER agrees to convey to the BUYER their leasehold interest in the property, hereinafter referred to as the premises, situated at \_\_\_\_\_, in \_\_\_\_\_ County, Iowa, including the following buildings: \_\_\_\_\_ and all land, trees, shrubs, landscaping, and surfacing attached to the premises sought and described herein. The premises also include all estates, rights, title, interests and any leasehold, including all easements.
- 2) The SELLER is the tenant on the property of \_\_\_\_\_.
- 3) The SELLER may surrender possession of the premises, building, or improvement, or any part thereof, prior to the time that he/she has herein agreed, and agrees to give the BUYER 10 days notice of the SELLER'S intention to surrender possession by calling the BUYER at 1-866-282-5809.
- 4) The SELLER agrees to surrender physical possession of the premises on or before \_\_\_\_\_.
- 5) It is understood and agreed that the Seller does not jeopardize any rights to relocation assistance benefits available under Iowa Code section 316 by signing this agreement.
- 6) The Seller discharges the Buyer from any and all liability as a result of this agreement and construction of the public improvement project.

**Seller**

Dated \_\_\_\_\_

**X** \_\_\_\_\_  
Seller's Signature  
Street Address  
City, State, Zip Code

**X** \_\_\_\_\_  
Seller's Signature

**Department of Transportation**

\_\_\_\_\_  
Douglas C. Bates , Acquisition Supervisor      Date



Iowa Department of Transportation  
OFFICE OF RIGHT OF WAY - RELOCATION

RELOCATION HOUSING PAYMENT POSSESSION AGREEMENT

County \_\_\_\_\_  
Project No. \_\_\_\_\_  
Parcel No. \_\_\_\_\_

This agreement made and entered into by and between Iowa Department of Transportation, hereinafter called "Agency", and \_\_\_\_\_, hereinafter called "Relocatee(s)",

Relocatee(s) herein request(s) temporary waiver of one of the specific eligibility requirements for a replacement housing payment -- the requirement that they **actually occupies** a decent, safe and sanitary replacement dwelling prior to receipt of their replacement housing payment.

Therefore, it is agreed as follows:

1. Agency will pay Relocates' replacement housing payment in the amount of \$\_\_\_\_\_, to \_\_\_\_\_ in advance of their actual occupancy of the replacement dwelling, with the specific understanding and agreement that this advance payment is necessary to enable the Relocatee(s) to relocate and occupy the decent, safe and sanitary dwelling located at \_\_\_\_\_ as their permanent and legal place of abode no later than \_\_\_\_\_, following receipt of this advance replacement housing payment.
2. Relocatee(s) unconditionally promise(s) and agree(s) that, in the event they fail(s) to occupy the above-described replacement dwelling as their permanent and legal place of abode by \_\_\_\_\_ (following receipt of this advance replacement housing payment), they will return the full amount of the previously designated payment to the Agency immediately (within 48 hours).
3. It is mutually agreed that, in the event Relocatee(s) pay(s) less than \$\_\_\_\_\_ for their replacement property, Relocatee(s) shall return the full amount of the payment to the Agency.

\_\_\_\_\_  
*Claimant's Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Claimant's Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*, Relocation Assistance Advisor*

\_\_\_\_\_  
*Date*





**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION  
**POSSESSION AGREEMENT**

County \_\_\_\_\_  
Project No. \_\_\_\_\_  
Parcel No. \_\_\_\_\_

This agreement is made and entered into by and between Iowa Department of Transportation, hereinafter called "Agency", and \_\_\_\_\_, hereinafter called "Relocatees" or "Sellers".

**Relocatees herein request temporary waiver of:**

- 1) One of the specific eligibility requirements for a replacement housing payment - the requirement that they actually occupy a decent, safe, and sanitary replacement dwelling prior to receipt of their replacement housing payment.
- 2) One of the specific requirements of Right of Way Agreement dated \_\_\_\_\_ - the requirement that they agree to surrender physical possession of the premises prior to receipt of their possession agreement.

**Therefore, it is agreed as follows:**

- 1) Agency will pay Relocatees' replacement housing payment in the amount of \$\_\_\_\_\_ to \_\_\_\_\_ in advance of their actual occupancy of the replacement dwelling, with the specific understanding and agreement that this advance payment is necessary to enable the Relocatees to relocate and occupy the decent, safe, and sanitary dwelling located at \_\_\_\_\_ as their permanent and legal place of abode no later than \_\_\_\_\_.
- 2) Agency will release Sellers' possession warrant in the amount of \$\_\_\_\_\_ to \_\_\_\_\_ in advance of their actual surrender physical possession of the premises located at \_\_\_\_\_. It is the specific understanding and agreement that this advance payment is necessary to enable the Sellers to close on their replacement dwelling on \_\_\_\_\_.
- 3) Relocatees unconditionally promise and agree that in the event they fail to occupy the above-designated replacement dwelling as their permanent and legal place of abode by \_\_\_\_\_, they will return the full amount of the replacement housing payment to the Agency immediately (within 48 hours).
- 4) Sellers unconditionally promise and agree that in the event they fail to surrender physical possession of the above-designated premises by \_\_\_\_\_, they will pay rent at the rate of \$\_\_\_\_\_ per day, thereafter.
- 5) Sellers further agree to notify the Agency and arrange to surrender physical possession of the premises prior to vacating per the terms of the Right of Way Agreement. Contact \_\_\_\_\_ at (515) 239-\_\_\_\_\_.
- 6) Sellers agree to leave the premises in a condition substantially the same as acquired by the Agency subject to applicable salvage or retention rights. Sellers agree to remove all unwanted personal property including all trash and junk.
- 7) It is mutually agreed that, in the event Relocatees pay less than \$\_\_\_\_\_ for their replacement dwelling, the full amount of the replacement housing payment shall be returned to the Agency by Relocatees.

\_\_\_\_\_  
Signature Date

---

Signature Date

---

Signature Date

---

Signature Date



**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**NON-RESIDENTIAL INFORMATION SHEET**

Owner                       Tenant                      **County** \_\_\_\_\_  
 Per. Prop.                       Sign                      **Project No** \_\_\_\_\_  
 Landlord                      **Parcel No** \_\_\_\_\_

---

1. **Name of Concern** \_\_\_\_\_ **Phone Number** \_\_\_\_\_

---

2. **Owner or Authorized Officer and Title** \_\_\_\_\_ **Email address** \_\_\_\_\_

---

3. **Property Address** \_\_\_\_\_ **Owner's Address** \_\_\_\_\_

---

4. **Form of Ownership** (check one)  
 Sole Proprietorship                       Partnership  
 Non-Profit Organization                       Corporation

---

5. **Type of Business** (check one)  
 Manufacture                       Retail Trade                       Sign  
 Wholesale Trade                       Business Service                       Non-Profit Organization(specify type)  
 Personal Service                       Farming                       Rental Property

---

6. **Area of Business (Neighborhood, City, etc.) describe:**  
Local \_\_\_\_\_

---

7. **Is this business part of a commercial enterprise having at least one other establishment which is not being acquired by the State or the United States and which is engaged in the same or similar business?**  
 Yes                       No

---

8. **Date Established in Project Area:** \_\_\_\_\_

---

9. **Business Intends to:**  
 Continue in Area                       Discontinue                       Relocate to Another Area

---

10. **Type of Items to be Moved:** \_\_\_\_\_

---

11. **Relocation Assistance Information Issued:**  
**Date:** \_\_\_\_\_  
**By:** \_\_\_\_\_

---

Remarks:



**DETERMINATION OF ELIGIBILITY FOR IN-LIEU PAYMENT**

**Businesses and Farm Operations**

**NAME** \_\_\_\_\_ **PROJECT #** \_\_\_\_\_ **PARCEL** \_\_\_\_\_

The displaced business or farm operation is eligible for an in-lieu payment, if the Iowa Department of Transportation determines that:

1. The business owns or rents personal property which must be moved and for which an expense would be incurred in such move and the business vacates or relocates from the displacement site.

\_\_\_\_\_ Meets this requirement                      \_\_\_\_\_ Does not meet this requirement

2. This business cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings). Assumed to meet this requirement unless the Iowa Department of Transportation determines otherwise.

\_\_\_\_\_ Meets this requirement                      \_\_\_\_\_ Does not meet this requirement

3. The business is not part of a commercial enterprise having more than three other entities which are not being acquired.

\_\_\_\_\_ Meets this requirement                      \_\_\_\_\_ Does not meet this requirement

4. The business is not operated at a displacement dwelling solely for the purpose of renting such dwelling to others.

\_\_\_\_\_ Meets this requirement                      \_\_\_\_\_ Does not meet this requirement

5. The business is not operated at the displacement site solely for the purpose of renting the site to others.

\_\_\_\_\_ Meets this requirement                      \_\_\_\_\_ Does not meet this requirement

6. The business contributed materially to the income of the displaced person during the two taxable years prior to displacement.

- A. Had average annual gross receipts of at least \$5,000; or
- B. Had average annual net earnings of at least \$1,000; or
- C. Contributed at least 1/3 of the average annual gross income from all sources.

\_\_\_\_\_ Meets this requirement                      \_\_\_\_\_ Does not meet this requirement

**ALL SIX CRITERIA MUST BE MET IN ORDER TO BE ELIGIBLE FOR AN IN-LIEU PAYMENT.**





**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**NON RESIDENTIAL FIXED PAYMENT**

County \_\_\_\_\_  
Project No. \_\_\_\_\_  
Parcel No. \_\_\_\_\_  
Name \_\_\_\_\_  
Company \_\_\_\_\_

A building located at \_\_\_\_\_ is the location from which \_\_\_\_\_ conduct(s) their business. This property is being acquired by the Iowa Department of Transportation for a highway improvements project. The main function of this business is \_\_\_\_\_.

\_\_\_\_\_, owner(s) is/are making an application for a fixed payment for a business move.

The business cannot be relocated without a substantial loss or its existing patronage (*clientele or net earnings*). A business is assumed to meet this test unless the agency demonstrates that it will not suffer substantial loss or its existing patronage.

Because of the above-mentioned factors, it is my opinion that the subject is eligible for a fixed payment for a business move.

The following information was gathered from the income tax statements submitted by the owner:

Year <u>  20  </u>	Amount \$ <u>        </u>	
Year <u>  20  </u>	Amount \$ <u>        </u>	
	Total \$ <u>        </u>	divided by 2 = \$ <u>        </u>

Based on the above information, a \$ \_\_\_\_\_ fixed payment maximum for a business move is hereby submitted for approval.

Recommended by: \_\_\_\_\_  
Relocation Assistance Advisor

Approved by: \_\_\_\_\_  
Douglas C. Bates  
Relocation Assistance Supervisor





# Iowa Department of Transportation

## OFFER OF RELOCATION ASSISTANCE

### Relocation of Personal Property

County \_\_\_\_\_

Project No. \_\_\_\_\_

Parcel No. \_\_\_\_\_

Date Negotiations Initiated \_\_\_\_\_

Owner \_\_\_\_\_

Address \_\_\_\_\_

Address of Personal Property \_\_\_\_\_

Sign Permit No. \_\_\_\_\_

In addition to the amount offered for the purchase of the real estate, the Iowa Department of Transportation is authorized to make the following relocation assistance payment:

#### **Moving expense payment:**

A payment equal to those actual moving and related expenses which the Iowa Department of Transportation determines to be reasonable and necessary incurred in the relocation of personal property not acquired by the Iowa Department of Transportation. This payment may be based on estimates by qualified professional movers or a qualified Relocation Assistance Advisor.

#### ***NINETY DAY NOTICE***

*You will not be required to move your personal property sooner than \_\_\_\_\_, a date not less than 90 days from the date the original offer was presented to you*

By \_\_\_\_\_

Right of Way Advisor

Date

By \_\_\_\_\_

Douglas C. Bates  
Relocation Assistance Supervisor

Date





Iowa Department of Transportation  
OFFICE OF RIGHT OF WAY - RELOCATION

OFFER OF RELOCATION ASSISTANCE  
Business

Date Negotiations Initiated \_\_\_\_\_

County \_\_\_\_\_

Owner/Tenant Operated \_\_\_\_\_

Project No. \_\_\_\_\_

Address \_\_\_\_\_

Parcel No \_\_\_\_\_

In addition to the amount offered for the purchase of the real estate, the Iowa Department of Transportation is authorized to make one or more of the following relocation assistance payments:

1. **Moving expense payment:**

A payment equal to those actual moving and related expenses which the Iowa Department of Transportation determines to be reasonable and necessary incurred in the relocation of personal property not acquired by the Iowa Department of Transportation. This payment may be based on estimates by qualified professional movers or a qualified Relocation Assistance Advisor.

2. **Reestablishment expenses:**

In addition to actual moving expenses, a small business, farm or non-profit organization may be eligible to receive reimbursement of actual expenses, not to exceed \$10,000, which the Iowa Department of Transportation determines to be reasonable and necessary in relocating and reestablishing those operations at a replacement site.

3. **Searching expense reimbursement:**

Under some circumstances you may also be eligible for searching cost reimbursement for expenses incurred in locating a replacement location for your business. This reimbursement is limited to a maximum of \$2,500.00 and is reimbursed based on documented time and expenses.

or

4. **Fixed payment in lieu of actual moving expenses:**

A displaced business, farm operation or non-profit organization, if eligible, may choose to accept a fixed payment in lieu of moving and reestablishment expenses. Payment of no less than \$1,000 nor more than \$20,000 may be made equal to the average **net earnings** (*business or farm operation*) or gross revenues less administrative (*non-profit organization*) of the two years prior to relocation.

**NINETY DAY NOTICE**

You will not be required to move your personal property sooner than \_\_\_\_\_, a date not less than 90 days from the date the original offer was presented to you.

By \_\_\_\_\_  
Date  
Right of Way Advisor

- 189 By \_\_\_\_\_  
Date  
Douglas C. Bates,  
Relocation Assistance Supervisor





<p>7. PAYMENTS TO BE MADE TO: <i>(if other than claimant)</i>  NAME &amp; ADDRESS</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; width: 60%;"></td> <td style="text-align: right; width: 5%;">\$</td> <td style="width: 10%; border-bottom: 1px solid black;"></td> <td style="width: 15%; text-align: right;">AMOUNT</td> </tr> <tr> <td style="border-bottom: 1px solid black;"></td> <td style="text-align: right;">\$</td> <td style="border-bottom: 1px solid black;"></td> <td style="text-align: right;"></td> </tr> <tr> <td style="border-bottom: 1px solid black;"></td> <td style="text-align: right;">\$</td> <td style="border-bottom: 1px solid black;"></td> <td style="text-align: right;"></td> </tr> </table> <p>Assignment(s) or other letters directing these payments shall be on file with:  Iowa Department of Transportation, Relocation Assistance Section, Ames, Iowa 50010</p>		\$		AMOUNT		\$				\$			
	\$		AMOUNT										
	\$												
	\$												
<p>8. The amount of payment(s) claimed herein are Subject to Audit for Compliance with State and Federal Regulations.</p>													
<p><b>TOTAL AMOUNT OF THIS CLAIM.....</b>      <b>Return to Relo</b></p>			<p>\$</p>										

**IOWA DEPARTMENT OF TRANSPORTATION USE ONLY**

**RELOCATION SECTION APPROVALS**

\_\_\_\_\_ Relocation Advisor                      Date

\_\_\_\_\_ Relocation Payment Auditor                      Date

**CLAIMANT'S CERTIFICATION**

I certify that the above claim is correct, just and unpaid.

\_\_\_\_\_ Signed (Must be signed in ink)                      Date

**FIXED PAYMENT ACKNOWLEDGMENT**

COUNTY: \_\_\_\_\_

PROJECT #: \_\_\_\_\_

PARCEL # \_\_\_\_\_

COMPANY NAME \_\_\_\_\_

OWNER'S NAME \_\_\_\_\_

We acknowledge by the signature(s) on this document that the business known as  
(Company #) \_\_\_\_\_, operated by \_\_\_\_\_ (Owner's Name(s))  
is eligible for a **Fixed Payment In-Lieu of Actual Expenses**, because:

1. This business owns or rents personal property which must be moved and for which an expense would be incurred in such move and the business will vacate or relocate from the displacement site.
2. The business cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings).
3. The business is not part of a commercial enterprise having more than three other entities which are not being acquired.
4. The business is not operated at a displacement dwelling solely for the purpose of renting such dwelling to others.
5. The business is not operated at the displacement site solely for the purpose of renting the site to others.
6. The business contributed materially to the income of the displaced person during the two taxable years prior to displacement (by one of the following):

Had average annual gross receipts of at least \$5,000; **or**  
Had average annual net earnings of at least \$1,000; **or**  
Contributed at least 1/3 of the average annual gross income from all sources.

This **Fixed Payment** is for moving expenses and reestablishment reimbursement, and will be in-lieu of a payment for reimbursement of any and all actual moving and related expenses.

\_\_\_\_\_  
(Owner's Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Owner's Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Relocation Assistance Advisor)

\_\_\_\_\_  
(Date)





**Iowa Department of Transportation**  
OFFICE OF RIGHT OF WAY - RELOCATION

**REPLACEMENT HOUSING PAYMENT  
SUMMARY AND CERTIFICATION**

**SUPPLEMENT DETERMINATION FOR  
OWNER OCCUPANT OF MORE THAN 180 DAYS**

County \_\_\_\_\_  
Project No. \_\_\_\_\_  
Parcel No. \_\_\_\_\_

Name: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City, State Zip: \_\_\_\_\_  
Tel No.: \_\_\_\_\_

**Block A -- Available Comparable Housing For Sale:**

Listing No.	Date	Address or Location	Listing Price
		1.	\$
		2.	\$
		3.	\$
		4.	\$

**Block B -- Owner-Occupant Replacement Housing Payment:**

The Most Nearly Comparable Housing (Block A) ---- Listing Number _____	
Cost of Comparable Housing	\$ _____
Less Acquisition Cost of Housing	- _____
Indicated Housing Payment	\$ _____

**Block C -- Available Comparable Housing For Rent:**

Listing No.	Date	Address or Location	Rent	Est. Util.	TOTAL
		1.	\$	\$	\$
		2.	\$	\$	\$
		3.	\$	\$	\$
		4.	\$	\$	\$

**Block D -- Rent Supplemental Housing Payment:**

1.	Most Nearly Comparable Housing Rental (Block C): Listing Number _____ \$ _____ Per Month x 42 Months = ..... \$ _____	
Less:		
2.	Economic Rent of Owner-Occupant Acquired Residence including Utilities Per Month x 42 Months = \$ _____	\$ _____
3.	Indicated Comparable Housing Rental Payment	\$ _____
4.	Supplemental Payment For Owner-Occupant To Rent (This shall not exceed the amount of Indicated Comparable Housing Payment (Block B))	\$

Reasons for Selecting Comparable Used For Computation: \_\_\_\_\_

