

INELIGIBLE EXPENSES

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

1. The cost of moving any structure or real property improvement in which the displacee reserved ownership. However, this cost is an eligible expense if the displacee reserves ownership, moves it from the displacement site, re-occupies it on a replacement site and it meets DSS criteria.
2. Interest on a loan to cover moving expenses.
3. Personal injury.
4. Legal or other costs of preparing a claim for a relocation payment, or for representing the displacee with the Iowa Department of Transportation.
5. Expenses of searching for a replacement dwelling.
6. Expenses for storage of personal property at a location where the displacee has an ownership or tenant interest.

REPLACEMENT HOUSING PAYMENTS (RHP)

GENERAL

In addition to the moving payment expenses discussed earlier, another set of payments are provided for persons displaced from their homes by our projects. These Replacement Housing Payments (RHP) 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 what they had before the project required their move. These payments are available to residential displaced persons only.

There are three categories of RHPs: Purchase Supplements, Rental Assistance and Downpayment 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.

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

1. **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.

2. **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), Page 15.
3. **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 definitions for Comparable Replacement Dwelling (Page 18), Habitable Space (Page 19), and Decent, Safe and Sanitary (DSS) (Page 20).
4. **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.

For displaced homeowners the year begins on the later of:

- 1) The date the displacee receives final payment for the displacement dwelling, or, in the case of a condemnation, the date the full amount of the estimate of just compensation is deposited in the court, or
- 2) The date the displacee is offered comparable replacement housing.

A displaced tenant must rent or purchase and occupy a DSS replacement dwelling within one year of the date he or she moves from the displacement dwelling.

5. **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 Department of Transportation may waive this limit in extraordinary circumstances. See Time For Filing Claims on Page 8.
6. **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:
 - 1) The calculated RHP, or
 - 2) The amount actually paid for the comparable replacement dwelling.

There are five general categories of residential occupants:

1. Owner-Occupants of 180 days or more. See definition of 180-Day Owner Occupant on Page 17.
2. Occupants of 90 days or more. See definitions of 90-Day Owner Occupant, Page 17 and 90-Day Tenant Occupant on Page 17.
3. Occupants of less than 90 days. See definition Less Than 90-Day Tenant or Owner Occupant on Page 18.
4. Persons who occupied the property after the Initiation of Negotiations and before it was acquired by the Iowa Department of Transportation. See definition Subsequent Occupant on Page 18.
5. Persons who did not occupy the property until after it was acquired by the Iowa Department of Transportation. See definition Displaced Person (Displacee) on Page 15.

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

Persons who occupied the property after its acquisition by the Department will be provided advisory assistance and services if such assistance is needed and is requested in writing.

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.

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.

PAYMENT AFTER DEATH

A replacement housing payment 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.

OWNER-OCCUPANTS OF 180 DAYS OR MORE

GENERAL

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 Department of Transportation.

The maximum Replacement Housing Payment (RHP) for this category is \$22,500 unless Last Resort Housing provisions apply. (See Page 24) 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 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 on Page 22.

PURCHASE SUPPLEMENT

Determining the Cost of a Comparable Replacement Dwelling - The upper limit of a replacement housing payment is based on the cost of a comparable replacement dwelling.