

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.