RELOCATION PROCEDURES

INDIANA DEPARTMENT OF TRANSPORTATION - REAL ESTATE DIVISION MANUAL
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PROFILE OF A RELOCATION RIGHT OF WAY AGENT

UNDERSTANDING RELOCATION

When families, individuals, businesses, farms, or non-profit organizations occupy land for highway projects, it may be necessary to displace the occupants in order to facilitate the completion of a project. The Uniform Relocation Assistance and Real Property Acquisition Policy Act were drafted in order to provide certain benefits and protections for persons displaced by highway projects which are entirely or partially funded by the Federal Government and the Department of Transportation.

Under the Uniform Relocation Act, individuals, business owners or tenants, and residential owners or tenants that are displaced are provided payments and services to assist them in moving their personal property, as well as various supplemental payments and advisory services. The Act also outlines how government agencies must conduct purchases of occupied lands and sets clear guidelines for acquiring and relocating parcels of land.

The provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act, containing relocation regulations are found in 49 Code of Federal Regulations Part 24. The purpose of the law is to ensure fair, consistent, and equitable treatment of displaced persons so that such persons do not suffer disproportionate injury from projects designed to benefit the public as a whole; expedite acquisitions by agreement with such owners and minimize litigation and congestion in the courts; ensure Agencies implement regulations in an efficient and cost effective manner; and promote public confidence in Federal and federally assisted land acquisition programs. The basis for the law is very important and should be referred to often when dealing with difficult decisions or questions.

In order for a highway project to be successfully completed it is essential that relocation needs be evaluated before a project is started and during the entire process of the project. Without a firm grasp of the needs of the people, businesses, homes, etc. being affected, the potential for delays in construction as well as increased project costs overall become more prevalent.

The following chapters deal with specific guidelines for relocation planning, commercial relocations, residential relocations, advisory assistance, and useful supplemental information regarding INDOT's relocation program policies and procedures.

RIGHT OF WAY AGENT MAJOR ACTIVITIES

Right of Way Agents are representatives of the acquiring agency. For INDOT acquisitions, the Agent’s client is the State of Indiana. For Local Public Agency acquisitions, the Agent’s client is that local agency.
The individuals that the Right of Way Agent works with in either 1) acquiring real property (buying) or 2) providing relocation assistance are deserving of utmost care and respect. They are entitled to all the rights and benefits afforded to them under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91-646) as amended (Uniform Act), and the regulation titled Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs (49 CFR Part 24). However, these individuals are not the Agent’s clients. It is an interesting balance to keep this in mind.

The Right of Way Agent may be assigned to “buying” or to “relocation.” Throughout the Relocation Procedures section of the manual, those assigned to relocation will simply be referred to as Right of Way Agents unless the need to differentiate between the Agent assigned to buying and the Agent assigned to relocation arises.

Providing Information

1. Describing the availability of, and eligibility requirements and procedures for, obtaining payments and assistance
2. Explaining the procedures for filing complaints or appeals
3. Answering displaced persons’ questions

Identifying Problems and Using Resources

1. Reviewing available data on the displaced person
2. Conducting a preliminary informational interview
3. Conducting follow-up diagnostic interview
4. Identifying displaced persons needs
5. Diagnosing displaced persons problems
6. Determining the availability of support resources to meet displaced persons problems and needs
7. Referring displaced persons to social agencies
8. Monitoring and evaluating displaced person's progress with social agencies
Assist in Searching and Securing Replacement Properties

1. Visiting, telephoning, emailing, and writing displaced persons about suggested replacement properties
2. Assisting and counseling displaced persons on personal problems related to the move
3. Preparing and maintaining lists of currently available replacement properties
4. Informing and guiding a displaced person on obtaining financing, insurance and the like connected with replacement properties
5. Assisting displaced persons to qualify for FHA or public housing
6. Helping displaced persons secure technical or legal assistance with their relocation problems
7. Counseling displaced persons on local real estate market and loan conditions
8. Informing displaced persons about special government assistance programs for displaced persons
9. Initiating contacts with government agencies to coordinate services for displaced persons

Computing and Processing Claims and Payments

1. Determining displaced person's eligibility for relocation benefits
2. Computing displaced person's entitlements
3. Advising displaced persons on proper documentation needed for processing claims forms
4. Delivering claims forms to displaced persons
5. Assisting displaced persons in filling out claims forms
6. Collecting claims forms from displaced persons
7. Routing claims forms among various offices and individuals involved in approval
8. Delivering payment checks to displaced persons on cases you did not work
IMPORTANT RIGHT OF WAY AGENT TRAITS

Knowledge

1. Relocation Laws and Regulations
2. Real Estate Practices and Procedures
3. Finance and Economics
4. Social Work Disciplines
5. Property Management
6. Appraisal and Valuation Techniques
7. Agency Policies and Procedures

Ability

1. Communicate effectively with individuals in a face-to-face situation
2. Make effective oral presentations before public groups
3. Establish rapport with uncooperative or suspicious individuals
4. Work effectively with representatives of other agencies and organizations
5. Write effectively
6. Identify displaced persons needs and problems
7. Identify available resources for meeting displaced person needs
8. Perform advocacy on behalf of displaced persons within the limits of and subject to the allowable entitlements of the Uniform Act
9. Monitor and evaluate the displaced person’s progress
10. Use formulas for computation purposes
11. Conduct personal interviews
12. Record all data accurately and concisely
Attitude

1. Desire to protect the public treasury
2. Intention to assure that displaced persons get no more and no less than what they are entitled to under the law
3. Sympathetic feelings for persons with social, health, economic or emotional problems
4. A willingness to work modified hours to accommodate a displacee’s schedule
5. A liking for people
6. Desire to help others
7. Commitment to the goals and objectives of the Uniform Relocation Act
8. Commitment to the rapid and economical completion of highway and other public projects
9. Appreciation of the difference between the letter and the spirit of the law

INTERVIEW SKILLS

It is necessary to become acquainted with the displaced person to give more than minimum assistance. After getting to know the displaced person, the Right of Way Agent can tailor the assistance offered to meet the displacee’s special needs, and can make appropriate referrals when applicable. By taking some additional time in the beginning, the Agent will be more effective and probably save time and effort. Right of Way Agents will be more successful in providing the appropriate level of assistance by conducting a thorough interview with the person to be displaced.

Interviewing success depends heavily on preparation

1. Decide why the interview is to be conducted
2. Determine what outcome is desired; the information that is needed, and the information that will be given
3. Develop ways to achieve that outcome

These three items will change as Right of Way Agents progress from the initial interview to each subsequent interview. Each time, the outcome should become more specific.
Develop as much information as possible before the interview

1. Use written background information when available. The parcel file may contain information obtained during an earlier survey, possibly for relocation planning purposes.

2. The appraiser, the Right of Way agent assigned to buying, a welfare worker, or any other person who may have had prior contact with the potential displaced person will have first hand information.

3. If the person is a tenant, it may be helpful to talk with the landlord.

4. If an Agent has interviewed the person previously, it is helpful to review prior notes to remember important details.

Plan the interview carefully

1. Determine the purpose of the interview. Is the purpose to give information about the project, benefits, eligibility requirements, or is the purpose to prompt action? Some action is required. The displaced person must move, and a decision is necessary regarding the method to be used, such as a commercial mover, a self-move based on a schedule or a combination of both.

2. Identify specific topics to be covered, their order, and the best method of presentation.

3. Have a specific time period in mind before starting the interview. Do not exceed 90 minutes. Two shorter interviews are better than an overly long one. On the other hand, don't cut off an interview in which the person is fired up and communicating.

Interviews can have many purposes

1. To become acquainted with the interviewee.

2. To collect information.

   Design questions carefully in advance. Use an interview questionnaire for the initial questions. (See Online Forms, RAAP 41 A, B, C or D) Factual information is needed and is the least threatening, so it is the most readily obtainable.

3. To convey information.

   a. Look at the problem from the interviewee's point of view. He or she is most interested in the direct effects on his or her self and family. Community impacts are secondary.
b. Impart information, requirements, options, restrictions, and procedures in a way that makes the interviewee receptive to the information being presented

4. To get reaction and questions
   a. Develop an atmosphere that will promote reaction and questions
   b. Use a presentation method that encourages participation. Be relaxed, and do not appear rushed
   c. Do not overdo written copy, authority, or personal identification. Mark important paragraphs in any written items which are used

5. To solve a problem jointly
   a. Promote interest and thought
   b. Get agreement on the nature of the problem
   c. Get agreement on the importance of the problem
   d. Minimize personal involvement and emphasize that the displaced person must do something, and you will help

6. To plant ideas
   a. Be subtle
   b. Consider alternatives ("If the interviewee should say...then I might say...")
   c. Help the displaced persons to think of all of their options
   d. Flag alternatives that should be avoided
   e. Help the interviewee to feel he or she played a major role in the development of the idea
   f. Be positive; help the interviewee look at the opportunities in relocation

**Interview the right person**

1. Interview the person most likely to have the answers to the questions being asked and who will need the answers that will be provided

2. The person being interviewed must certify legal residency in the United States for eligibility requirements, both for residential displacement and non-residential displacement (*See Online Forms, RAAP 38*)

3. Interview the person to whom specific information is to be given. All adult family members should be present if possible, or in the case of an elderly single person, a trusted son or daughter or close personal friend may be present during the interview if he or she desires or if they obviously need assistance
4. Group interviews may be appropriate in some instances, especially when it is necessary to:
   a. Obtain interrelated information
   b. Convey information of interest to all parties, e.g. the Right of Way Agent, the displaced person and a moving company representative
   c. Sample reactions
   d. Develop solutions to general problems
   e. Generate group interest and identification

Arrange the interview properly

1. Have the right person request the interview. Either the Agent that will conduct the interview or another staff person will generally be most appropriate

2. Choose the manner of request carefully
   a. Arouse interest
   b. Be positive, pleasant and prepared, but flexible
   c. Explain the purpose of the interview
   d. Tell who will conduct the interview and why and do not imply that he/she is going to solve all their problems

Use more than one person to conduct the interview when appropriate

1. Be sure each interviewer pursues the same objective and develops consistent data

2. Have a clear direction and role assignment beforehand. One to interview and one to take notes

3. Be careful not to overwhelm the interviewee(s)

Conduct the interview with sensitivity in mind


2. Be on time

3. State the purpose of the interview and the topics to be discussed. This will eliminate possible fear or distrust

4. Be courteous, friendly, and interested in the people and in their home
5. Be warm and responsive to the interviewee's problems and point of view. Do not be defensive. Develop a trustworthy relationship.

6. Move from general to specific information and from least sensitive to most sensitive subjects.

7. Try to identify the reasons for the respondent's opposition, if it exists.
   a. Fear, ignorance, suspicion, rumor.
   b. Clash of objectives.
   c. Clash of personalities. If the interview is with an obviously hostile person, the Agent may want to suggest making arrangements for someone else to handle the relocation if the displaced person prefers.
   d. Lack of interest -- doubts displacement will occur.
   e. Advice of others -- spouse, relatives, other displaced person.

8. Tactfully point out unworkable alternatives before they get out of hand.

9. Do not be overly concerned about silences. Silences usually are not as long as they seem and are often necessary for the interviewee to formulate his/her thoughts into a logical reply. During periods of silence, the interviewer should think about, “What is he or she really trying to tell me?”

10. Select the appropriate manner of speech carefully. Avoid jargon, i.e. RHP for Replacement Housing Payment or DS&S for decent, safe, and sanitary. Do not talk down to a displaced person, but keep explanations as simple as possible.

11. Create an impression of competence. Know the program, and be able to answer questions with authority.

12. Decide when to let the person present his/her point of view, when and how to get the interview back on course, and know what useful information or reactions may be lost by redirecting too soon.

13. Restate what the person has said at key points. "You mean that"..."What I hear you saying is"...etc.

14. When necessary, clarify information the displaced person is presenting. All that may be necessary is to say, "Will you please explain that a little more."

15. Use listening responses frequently, (nod, smile, expectant pause, uh-huh, mmm, I see, echo (last few words repeated), mirror (you feel you have been treated unfairly), and brief summary (let's see if I have this right -- you...)
16. Be prepared to delete or modify the content or sequence of the interview as the person reacts in unforeseen ways

17. Take notes as appropriate but do not let the note taking get in the way of the interview. Be selective, brief, and clear in what is written down. Pay attention to the person being interviewed

**Become a better listener**

1. Keep an open mind. Remember that we often hear what we wish to hear. Bear in mind, one's own attitudes and biases affect the information we receive in an interview

2. Organize the person's remarks in your mind
   a. Identify the main points
   b. Decipher arguments versus facts
   c. Group facts around arguments

3. Anticipate the next point

4. Evaluate the person's evidence

5. Look for nonverbal clues. Body language and tone of voice can indicate anxiety, sadness or anger

6. Avoid distractions and concentrate on what is being said. Sometimes it may be necessary to ask the interviewee to turn off the TV or to move to a quieter environment

7. Stay alert. Do not daydream if a person's delivery is slow

**Summary**

1. A thoughtful, thorough presentation is a prerequisite of a truly successful interview

2. During the interview, center all attention on the other person; be sensitive to his/her reactions, and show sympathetic interest in his/her comments
ADVISORY SERVICES

One of the most important functions of any relocation program is to provide the services needed by persons being displaced by the project. The State is required to provide relocation services to minimize hardships and to carry out an orderly and humane relocation program. A relocation program will be successful only if services are provided by the personal contact of a Right of Way Agent who understands and is knowledgeable of the Uniform Relocation Act and its policies and is willing to provide the assistance needed by displaced persons.

Relocation advisory services are interrelated with all other program requirements from the preliminary interview to the final payment of relocation claims. Relocation services are the "frame of reference" embracing all program requirements.

Relocation assistance is necessary on all federal and federally-aided projects where displacement will occur or where there is a Highest and Best Use change. If the acquiring agency determines that an occupant of property adjacent to real property being acquired for a project is caused substantial economic injury, it may offer advisory services to that occupant. Relocation assistance is required by the law and has equal if not greater importance than payments.

ADVISORY SERVICES DEFINED

The Right of Way Agent must provide as a minimum the following services to persons who will be displaced:

1. Explain the relocation services which are available and the various types of relocation payments
2. Discuss and explain eligibility requirements necessary to receive relocation benefits, and determine the eligibility of each displaced person
3. Determine the needs of displaced persons for relocation advisory services, and make a sincere offer to help in any way possible
4. Provide assistance to persons displaced from dwelling units, businesses, nonprofit organizations and farm operations
5. Provide current listings and prices of available and comparable for sale and rental properties on a continuing basis. This requirement applies to residential units, businesses, nonprofit organizations and farm operations
6. Provide information concerning federal and State housing programs, federal loan programs and other governmental programs offering relocation assistance to displaced persons
7. Provide any necessary assistance in completing application and claim forms

8. Provide relocation advisory services commensurate with the needs of each displaced person, in order to minimize hardship associated with adjusting to a new location

9. Offer to provide transportation for displaced persons to inspect housing to which they are referred

Even this minimal amount of assistance will be helpful. However, in some instances it is necessary to go beyond these minimum assistance requirements. Many problems and possibly misunderstandings can be avoided if as much time as necessary is taken to provide a comprehensive explanation of benefits and assistance available.

The advisory program shall include such measures, facilities, and services as may be necessary or appropriate in order to:

1. Determine for non-residential displacements the relocation needs and preferences of each displacee and explain the relocation payments and other assistance for which each displacee may be eligible, the eligibility requirements, and the procedures for obtaining such assistance. This shall include a personal interview with each displacee. At a minimum, interviews should include:
   a. The displacee’s replacement site requirements, current lease terms, other contractual obligations, and the financial capability to complete the move
   b. Determination for the need for outside specialists that will be required to assist in planning the move, assistance in accomplishing the move, and in the reinstallation of machinery and/or other personal property
   c. An identification and resolution of personal property versus realty issues prior to or at the time of the appraisal of the property. This is best accomplished at the Appraisal/Inventory Meeting
   d. An estimate of the time needed to accomplish the move
   e. An estimate of the anticipated difficulty in locating a replacement site
   f. Identification of any advance relocation payments required to accomplish the move

2. For non-residential acquisitions the agency should provide current and continuing information on the availability, purchase price and/or rental cost of suitable commercial replacement locations. Assistance should be given to a non-residential operation to obtain and become established in a suitable replacement location
3. Determine for residential displacements, the relocation needs and preferences of each person being displaced; explain the relocation entitlements for which the person may be eligible, related eligibility requirements, and the procedures for securing any entitlements. This shall include personal interviews with all displaced persons.

a. Provide current and continuing information on the availability, purchase price, or rental costs of comparable replacement dwellings. It must be explained that the person cannot be required to move until at least one comparable replacement dwelling is made available.

b. As soon as possible, the displacee should be informed in writing of the comparable dwelling and its price or rent amount used for establishing the maximum Replacement Housing entitlement.

c. Where feasible, comparable housing shall be inspected prior to being made available to assure that it meets decent, safe, and sanitary standards. The displacee must be notified that a Replacement Housing Payment will not be made until the replacement dwelling is inspected and determined to be decent, safe, and sanitary.

d. Whenever possible, minority persons shall be given reasonable opportunities to relocate to a decent, safe, and sanitary replacement dwelling not located in an area of minority concentration that is within the person’s financial means. However, this policy does not require the acquiring agency to provide a larger than necessary payment to enable a person to relocate to a comparable replacement dwelling as described in 49 CFR 24.205 (C) (2) (ii) (D).

e. Any person who occupies property acquired, when such occupancy began subsequent to the acquisition, and the occupancy is permitted by a short term rental agreement, shall be eligible for advisory services as determined by the acquiring agency.

4. Care should be taken to minimize hardships to displacees trying to adjust to being relocated by providing counseling, other sources of assistance that may be available, and other help that may be appropriate. This includes but is not limited to supplying displacees with information about federal and state housing programs, disaster loans and other programs administered by the Small Business Administration, and other programs offering assistance to displaced persons. This includes technical help in applying for such assistance.

**PROVIDING RELOCATION ASSISTANCE**

Once the Right of Way Agent knows something about the person or people being displaced, he or she is ready to provide assistance. Not all displacees will need assistance and some will need only a minimum amount of assistance. The Agent can expect to spend more time and effort with a small number of those persons in his or her relocation workload. Therefore, it is important to know where to go to get special help. The list of agencies which provide social services and other forms of assistance is long. However, this list is very basic and applies to all displaced persons.
persons whether owners or tenants of residential, business, and farm properties. The services are to be offered to occupants of expensive homes as well as to occupants of substandard homes and to large businesses as well as to small businesses.

There should be no assumptions made about the need for services, and the services should never be restricted to location of replacement sites. In many instances, it will be necessary to go beyond the minimum requirements in order to complete relocation successfully. The only way to determine what advisory services will be needed is to become acquainted with the displaced persons during personal interviews.

**SERVICES AVAILABLE FROM PUBLIC AND PRIVATE SOURCES**

**County Welfare Departments**

County welfare departments administer public assistance programs. Their major programs are:

1. **Financial Services** The principal types of financial services are (a) Aid to Families with Dependent Children (AFDC), (b) General Relief (GR), (c) Supplemental Security Income (SSI), and (d) Medical Assistance (MA).
   
a. **AFDC -- Aid to Families with Dependent Children**
      i. Provides cash assistance to families in which dependent children have been deprived of support of a parent until 18 years of age (21 if a student).
      ii. AFDC families can also get help with rent coverage, utility bills, furniture needs, etc.
   
b. **GR -- General Relief**
      i. Offered to those poor who do not qualify for other welfare department assistance programs.
      ii. Usually individuals or childless couples.
      iii. A transitional program, with States trying to move recipients to other forms of assistance shared by federal government, or to the labor market if feasible.
   
c. **SSI -- Supplemental Security Income**
      i. A minimum assistance payment for those eligible who do not have other resources.
      ii. Direct income maintenance payments to aged, blind, and disabled persons based on a national uniform standard as well as uniform eligibility criteria and incentives for States to supplement this federal floor.
      iii. The SSI recipient receives cash payments from the federal government, but the State usually provides him or her with social services, medical services, and food stamps.
d. **MA -- Medical Assistance**
   
i. **Medicaid**
   
   1. Available to AFDC and SSI recipients. Those who are not eligible for direct cash assistance from the welfare department are aided in paying medical expenses that would reduce their income after they pay their bills to less than welfare standards.
   
   2. A person is not required to be on welfare to be eligible for Medicaid provided his or her income is low.
   
   3. The State sets its own limits and eligibility requirements, so check with your local welfare office for specific information.

2. **Social Services** The principal types of social services are (a) Foster Child Care, (b) Day Care Centers, (c) Nursing Homes, and (d) Family Planning. Social Services are provided directly by the welfare department or purchasers from private agencies and institutions or foster parents for public assistance recipients and others in need.
   
a. **Foster Child Care**
   
i. For abandoned or orphaned children.
   
   ii. Foster parents are provided a payment to provide care for these children.

b. **Day Care Centers**
   
i. For working mothers of preschool-aged children in many communities.
   
   ii. These centers often charge according to the parents’ ability to pay.

c. **Nursing Homes**
   
i. For the ongoing care of welfare recipients and others.
   
   ii. Check on the availability and eligibility requirements in your area.

d. **Family Planning**
   
i. Budgeting, development of parental teaching and supervisory skills, and birth control assistance for individuals of childbearing age.

3. **Food Stamps**
   
a. The eligibility formula balances income and assets against a range of deductions for shelter, childcare, medical and educational expenses, and other special fees and liabilities.

b. Welfare recipients are automatically eligible for food stamps and must only prepare an affidavit listing income and resources to determine their allotment of food stamps.
County Health Departments

1. **Clinics and a variety of health services**
   a. For medical and dental care.
   b. Contact the Health Department in your area for specific services available for county residents and eligibility requirements.

2. **A Public Health Nurse** (Includes home visitation for the sick and newborns)
   Contact your Health Department for availability of this service and eligibility requirement.

3. **Nutrition Counseling**
   Provided by some Health Departments for persons with dietary problems resulting from certain illnesses.

The Social Security Administration

1. **Retirement Benefits**
   Begin at age 65 or age 62 on a reduced basis (widows at 60) for retired workers covered by social security.

2. **Survivor's Benefits**
   May be paid to the family of a deceased worker who was covered by social security. Payments can be made to unmarried children under 18, a widow under 60 if she is caring for the worker's children, widow or dependent widower 60 or older, and dependent parents 62 or older.

3. **Supplemental Security Income Benefits (SSI)**
   The SSA also participates in monthly "SSI" payments to people in financial need who are 65 or older, blind, or disabled. For these three groups, the basic conditions of eligibility are specified levels of income and resources. This is a relatively new program. In 1973 the aged, blind, and disable people receiving public assistance payments from the State were converted to SSI rolls. This is not the same as social security even though the SSA administers the program through State Welfare Agencies. The money comes from the general funds of the U.S. Treasury with participation by State and local governments.
4. **Aid to Families with Dependent Children (AFDC)**

Money for this benefit comes from State and Federal funds. To be eligible, a child must usually be deprived of parental support or care because of a parent's death, a parent's continued absence from the home, or a parent's physical or mental incapacity.

5. **Disability Benefits**

May be paid to disabled workers and their families who are covered by social security. The worker must be unable to work. After a 5-month waiting period, a disabled worker and his/her family will receive the same amount as would be paid on retirement.

6. **Medicare**

The SSA is responsible for administering the Medicare program, which provides hospital and medical insurance protection for persons who are covered by social security and are 65 years of age, and over.

**Other Private and Public Agencies**

1. **Community Service Organizations (United Fund)**

Most communities have a network of voluntary human care service organizations which provide a variety of social services to assist the sick and needy. Perhaps one of the following agencies may be of assistance to one of your displacees.

2. **Programs for Senior Citizens**

Provide a variety of services for the elderly. However, they are primarily a central point offering contact with other people of that age group. They usually provide social and recreational activities, educational programs, health services or information, employment service or job registry, transportation programs, etc. A national nutrition program for older needy Americans known as Group Meals Services is a new experimental program usually administered by senior citizen's centers. Older persons are eligible who need improved nutrition for a variety of reasons, such as lack of knowledge of proper nutrition, inadequate facilities for preparing meals, difficulty in shopping, etc.

3. **Big Brother and Big Sister Organizations**

Have the responsibility of serving fatherless boys and motherless girls due to death, divorce, desertion, separation, imprisonment, or illegitimacy. This service provides the child with meaningful adult companionship and provides the child with opportunities to participate in recreation and social experiences. Some organizations work directly with the juvenile court to determine the need for this service.
4. **Meals on Wheels (For elderly and shut-ins)**

A program that usually provides two nutritious meals a day to persons at home. Eligibility varies but the program is designed to solve the nutrition program for the aged, the disabled, and the convalescents who cannot purchase or prepare adequate meals for themselves. Home delivered meals are provided under many organizational auspices and charges are usually based upon ability to pay. The program should be listed in your telephone directory.

5. **Visiting Nurse Association (volunteers)**

Provides in-the-home nurse visitations, visits to day-care centers, senior-citizens centers and low-income housing projects. The visiting nurse provides health-aid care, special therapies, guidance, and counseling under the direction of the recipient's physician. The United Fund, Medicaid, Medicare, and several health plans will reimburse the Association whose fee is based on the actual cost of the visit when the patient cannot afford the cost of the service.

6. **Volunteer Families**

Available in some communities to be of aid and assistance to families receiving public assistance. They are well briefed on the community services available and may be of assistance to a displaced family receiving public assistance.

7. **Charitable Organizations for Food, Clothing, Furniture, Financial Assistance.**
   a. Can be found in most communities across the country, the best known being "Goodwill Industries." Such organizations collect furniture, appliances, shoes, clothing, bedding, etc., and refurbish the items when possible. Distribution is made to needy families for a nominal sum or by donation to indigent families. This is an excellent source of help for low-income displacees who are in need of clothing and furniture. Charitable organizations also provide emergency financial assistance on a temporary basis to persons in need.
   b. The "Salvation Army" is another charitable organization, which is active in most communities. This dedicated organization provides emergency finances, shelter, food, and clothing. It also provides social services for the aged, shut-ins, and problem children. Community centers provide family life education, group recreation services, counseling, physical education, and athletics. Disaster relief is also one of its many services.

8. **Credit Counseling Services**

Available in most communities to help individuals and families solve their financial problems. Professional counseling is provided for budgeting, money management, and the intelligent use of credit. In cases of over extension, a program is initiated for debt repayment acceptable to creditors and debtors. Voluntary fees from creditors as well as...
the client often finance credit-counseling centers. Credit ratings can often be restored or improved to the point where the formerly poor credit risk may qualify for a mortgage loan insured by one of the Federal agencies such as VA, FHA, or FmHA.

9. **Centers for Alcoholism and Drug Abuse**
   
a. **Alcohol Abuse Programs** include a variety of services pertaining to alcohol abuse and rehabilitation of the alcoholic. "Alcoholics Anonymous" usually participates in this program. It offers counseling, sharing, and understanding of the problems of the alcoholic on a one-to-one basis. The organization assists in locating doctors, hospital care, and financial resources for alcoholics. The service is available to both child and adult, and group service is available for family members of alcoholics.

b. **Drug Abuse Centers** are available in most communities and all metropolitan areas. The centers provide information and counseling services for drug users and their families. The centers quite often offer a therapeutic community to which drug-dependent persons are admitted on a live-in basis. The program is usually one of total abstinence with no use of substitute drugs, providing the addict an opportunity to withdraw from both physical and mental drug dependence through comprehensive rehabilitation services and backup care.

10. **Legal Aid Society**

    Provides immediate and direct access to quality legal services to low income persons living in the central Indiana community. A majority of the Society’s clients have issues that involve family law.

11. **Religious Social Service Programs**

    a. Such as Catholic Charities, Jewish Social Service Agencies, and the Lutheran Social Services are active in many communities.

    b. Such organizations provide marital, family, and individual counseling as previously discussed under "Family Services." Foster home care, day-care centers, adoption services, child guidance services, services to the aging, retirement counseling, and emergency assistance are other services provided by religious organizations. These services are often duplications of services provided by other community organizations, but it may be the only way some families may be reached.

12. **State Employment Office for job placement, vocational counseling and training.**

    a. This is a public employment service for all grades of workers and employees, providing service without charge. Services to employees usually include recruitment, screening and referral, job analysis, evaluation, specifications, and skill inventories required. Vocational counseling and job placement is always part of the service. Training programs for prospective employees are often available. This office also administers unemployment compensation for qualified men and women.
b. This paper is not intended to be a comprehensive list of all public and private agencies providing service and financial assistance. Rather, it is a compilation of benefits that are available in most communities. It may be used as a reference guide by personnel involved in the relocation program and should be expanded to include local information for future use.

13. **The Veteran's Administration**

a. Guarantees mortgage loans for qualified veterans. The VA guarantees the lender against any loss (the dollar amount is stipulated by law), or 60 percent of the loan, whichever is less. The VA also makes direct loans for the purchase of a home in areas where private financing is not generally available. To qualify for either an insured loan or direct loan, the veteran's income must be sufficient to meet the monthly mortgage payment and cover his/her other obligations and family expenses. The veteran must also be a satisfactory credit risk.

b. The VA will guarantee loans made by private lenders to veterans for financing the purchase of mobile homes, lot acquisition, and site preparation as well as homes.

14. **The Farmer's Home Administration**

(FmHA) of the U.S. Department of Agriculture guarantees mortgage loans made by private lenders and also provides for direct loans through the agency. The FmHA County Supervisor usually determines the eligibility of the applicants. One of the eligibility requirements is the inability of the applicant to obtain a loan from a private lender on terms and conditions that he/she can reasonably be expected to meet. Loans may be made for the value of the property as determined by the FmHA appraisal and approved by the Federal Housing Administration or VA. The FmHA has several rural programs available, including business and industrial loans, but the two basic types of loans are farm ownership loans and lot-to-moderate income housing loans. For more specific information, check with your FmHA County Agent.

15. **Minority Business Development Agency (MBA)**

Provides leadership to promote the establishment of and assistance in the expansion of minority-owned businesses. Advisory services and counseling are available to assist minority business development. Technical and management assistance is available at no cost and includes all forms of counsel, guidance, and advice on the establishment and operation of a business enterprise. No assistance is available to finance a business venture by MBDA, however.

16. **The Small Business Administration**

a. SBA provides loans for displaced small businesses that have suffered substantial economic injury as a result of displacement or being located adjacent to a federally aided project, including State and local projects. Owners of apartment houses or
other real estate held primarily for rental income are not eligible, nor are farm operations and nonprofit organizations.

b. There is no maximum loan amount for displaced business loans. Direct loans are available when bank participation on a guarantee basis is not available. The SBA also offers training and management assistance to help the displaced small businessman reestablish and continue his/her business.

17. The Department of Housing and Urban Development (HUD)

a. Insures lenders against losses and guarantees the mortgage lender that, in the event of default by the purchaser, HUD will honor the lender's claim after the mortgage is foreclosed and the property conveyed to HUD.

b. To be eligible for a HUD insured loan, a borrower must have an acceptable credit record and enough income to make the monthly payments, in addition to other recurring bills and family needs. (Includes mobile homes as well as residential units). The agency also maintains a list of HUD-owned properties that may be an additional source of available housing.

There are many places to go for help when the services needed are beyond the scope or expertise of the relocation staff. Right of Way Agents should not hesitate to contact local service agencies and become familiar with their organizations and the nature of the services they provide. The Right of Way Agent should keep a list with names and telephone numbers of local service agencies and identified contact persons.

Right of Way Agents should encourage the displaced person to call the service agency, but should also offer to place the calls, make the appointments, and provide the transportation when necessary.

**DIVERSITY OF DISPLACEES**

Below is a list of some of the situations a Right of Way Agent should be prepared to work with. Local service agencies may be able to provide the necessary assistance to help the displaced person adjust to a new neighborhood or cope with an existing problem.

- The elderly
- Families with low income
- Large families
- Serious or terminal illness in a family
- Alcoholism and drug addiction
- Eccentric people
- Unusually large amounts of personal property
- People that live in isolation
- The owner of many animals
- The person with poor credit
• People for whom English is not the primary language
• The displaced person who is reluctant to move or cooperate with the process
• The case of discrimination in housing
• Individuals with physical, emotional or behavioral disabilities
• Unemployment
• Families on welfare
• Families with no automobile
• Businesses in need of financial and management help
• Dislocated farmers
• Acquisition of a church property

To relocate some of the persons mentioned presents a considerable challenge to any Right of Way Agent. Often Right of Way Agents face problems for which there seem to be no solutions. Inexperienced relocation personnel soon learn that it is not always necessary to reinvent the wheel. Coworkers, supervisors and other knowledgeable persons may be able to offer helpful suggestions or approaches to a problem. In the end, the Right of Way Agent is expected to bring the relocation to a successful conclusion.

It is important to remember that displaced businesses including non-profit organizations and farms also have needs. They need to think through what is best for their business throughout the relocation process, need to plan ahead, and need to find at least adequate replacement sites. The Business, Landlord, or PPMO Interview Questionnaire done at the time of the Appraisal/Inventory meeting will assist in identifying those matters. The chapter on *Moving Entitlements* and related expenses will address these and other issues in greater detail.
RELOCATION PLANNING

ABOUT RELOCATION PLANNING

The Uniform Relocation Act Amendments of 1987 recognize the need for relocation planning. Section 205(a) of the act as amended requires programs or projects be planned so that the problems associated with displacements are identified at an early stage and resolution of those anticipated problems is provided.

Planning is a good management tool used to achieve a predetermined objective. For relocation, the objective is an orderly and humane relocation of persons displaced by a project without adverse impacts or costly delays to the project. The planning process should be initiated during the early stages of project development, be continued through the environmental analysis process and culminate in a relocation study appropriate for the particular project. The factual information learned should indicate if orderly relocation could be achieved. If problems are revealed early in planning, various solutions such as extension of lead-time prior to construction, undertaking clearly defined mitigation measures, or increasing personnel resources may be considered.

During the early stages of development, the acquiring agency shall plan federal and federally assisted programs or projects in such a manner that recognizes the problems associated with the displacement of individuals, families, businesses, farms, and non-profit organizations. The agency shall develop solutions to minimize the adverse impacts of these displacees. Planning may involve a relocation survey or study, which may include the following:

1. An estimate of the number of households to be displaced, including information such as owner/tenant status, property values, and rental rates of properties being acquired. Also, consideration as to the impact on minorities, elderly, large families, low income, and people with disabilities when applicable

2. An estimate of the number of comparable and replacement dwellings in the area, along with price ranges and rental rates. When an adequate supply of comparable housing is not expected to be available, housing of last resort or protective rent should be considered. Special consideration should be given to the need for, and availability of comparable subsidized housing.

3. An estimate of the number, type, and size of businesses, farms, and non-profits to be displaced and the number of employees that may be affected

4. An estimate of the availability of replacement business sites. When an adequate supply of replacement business sites is not expected to be available, the impacts of displacing the businesses should be considered and addressed. Planning for displaced businesses which are reasonably expected to involve complex or lengthy moving processes or small businesses with limited financial resources and/or few alternative relocation sites should include an analysis of business moving problems
5. Consideration of any special relocation advisory services that may be necessary from the displacing Agency and other cooperating Agencies

**LOANS FOR PLANNING AND PRELIMINARY PLANNING EXPENSES**

The lead agency shall establish criteria and procedures for use of project funds upon the request of the federal agency funding the project.

**RELOCATION STUDY**

While a formal Relocation Plan is not needed for a project to move forward, the best way for the State to document the planning process is to prepare a Relocation Study. This can be accomplished through the information gathered at the Appraisal / Inventory Meeting. Please refer to *Relocation Process* starting on page 331 for more information about the Appraisal/Inventory Meeting.

**DETERMINING WHOM THE PROJECT WILL DISPLACE**

The first step in the relocation planning process is to find out *who* and *what* will be displaced by the project. A drive through the project area and surrounding areas will provide general information about potential displaced persons, as well as checking with public and private agencies that provide services to the area. The best way to ascertain who will be displaced and to learn about potential problems is to conduct personal interviews of those affected by the project. Before objections are raised about "stirring up problems" with personal interviews before a project begins, please be assured that a knock on the door is far more welcome than a notice in a newspaper or a red X on someone's residence on project plans at a public hearing. Information about the project and the potential relocation benefits and assurances should also be provided to counteract rumors or other misinformation.

The survey form designed for obtaining the inventory data should be adequate to address, as a minimum, family size, owner or tenant status, income range, special needs (disabilities, elderly, etc.), dwelling size, and number of bedrooms. Businesses, farms, and non-profit organizations should also be surveyed to determine the type of operation, number of employees, and relocation needs. Either a preliminary survey form or pre-relocation questionnaire can be used to conduct interviews at this time. If the pre-relocation questionnaire is used, only those items necessary for planning purposes need be completed.

After completing the survey, a tabulation can be made of replacement housing required based on the standards for comparable replacement housing, including price or rental range, number of bedrooms required, and size. Other correlation items should be added as appropriate, such as the need for subsidized housing. A similar tabulation should be completed for businesses and farms.
The inventory of characteristics and needs should indicate possible problem areas and generate thinking about the various methods to be used in providing the necessary replacement housing if shortages are discovered.

**SURVEY OF COMPARABLE REPLACEMENT PROPERTIES**

It will be necessary to prepare a survey of available comparable replacement housing, business sites, including for non-profit organizations and farm properties. Because the Relocation Study already collected an inventory of housing needs, the types of units to be included in a survey of replacement properties is already known.

The survey and subsequent analysis must indicate the availability of sufficient comparable replacement housing for those individuals and families to be displaced. Otherwise the use of Replacement Housing of Last Resort should be considered. Again, the standards for comparable replacement housing must be used as the basis for this inventory and the housing selected must be decent, safe, and sanitary. Listings of currently available, comparable residential units for sale and for rent in the general price range and rental range of the properties to be acquired can be collected from multi-list services, realtors and their websites, newspapers and magazines. The listings should be adequate for comparison with the inventory and should equal or exceed the number of units being acquired. The determination that an adequate supply of comparable housing and other required properties will be available should be well supported. In the same manner, available businesses and farm properties should be analyzed.

If acquisitions and relocations are expected to cover a significant time span, additional consideration should be given to properties that would become available over such a time span. An analysis of the available rental and for sale properties over a representative period in the past and projecting this information to arrive at availability in the future may be made. Such a projection would of course give recognition to any known factor that might affect the projection.

On the rare occasion, the use of Protective Rent may be necessary when rental comparables are not readily available. The lack of available rental comparables should be identified in the survey. With prior approval from INDOT, an agent may be used to protect available rental stock for later use as provided comparable rentals for displacees.
OTHER SOCIAL AND ECONOMIC IMPACTS

In developing these impacts, social or economic occurrences that have taken place in the recent past that may have a distorting effect on the present real estate market should not be overlooked. Problems of today may also affect the real estate market in the near future. Some examples to keep in mind are:

1. Industries coming into or leaving the community
2. Increasing interest rates affecting home purchases
3. Tight mortgage money
4. Increasing prime interest rate affecting builders
5. Tight money for housing contractors
6. Industrial and business expansion with increasing employment
7. Economic recession and increasing unemployment
8. Economic inflation
9. Rate of growth or decline of population in the community
10. Project area population trends
11. Building moratoriums
12. Housing starts and rental vacancy rates
13. Zoning or other land use plans
14. Local rent controls

After a sufficient inventory of currently available residential units has been collected, the "for sale" and "for rent" properties should be tabulated to correlate with the requirements of the displaced persons. For example, one category of the needs survey may indicate that 28 single family, three bedroom dwellings between the price range of $100,000.00 to $125,000.00 are required. The survey of currently available housing may indicate that 40 units are available in this category. The tabulation will show 28 required, available 40. The same procedure will hold true for requirements in other price ranges and types of residential units, including characteristics such as subsidized housing. A tabulation of the needs and availability of rental units should be recorded separately. If the number of displacements warrant, it may also be appropriate to tabulate replacement properties for displaced farms, businesses and non-profit organizations, even though this is not a requirement.
ANALYSIS OF CURRENT GOVERNMENT DISPLACEMENTS

Coordination with other Federal, State, and Local governmental agencies is necessary to learn if any of their current or planned programs might also cause displacements or conversely, if there are programs planned to increase housing availability. Any planned or concurrent project in the community could have an effect on the supply and demand for replacement properties and could be competing. For this reason coordination with other agencies becomes extremely important.

After the displacement requirements have been compared with available replacement properties, the study will probably indicate that the displaced persons on the project can be relocated in a timely and humane manner. If problems are discovered or anticipated at this stage of the study, ways to resolve the problems, including the use of replacement housing of last resort should be planned.

ANALYSIS OF RELOCATION PROBLEMS

At this point in the planning process, a comprehensive analysis of the anticipated relocation impacts should be relatively simple to make. The facts have been gathered, the displaced persons have been identified, the available or anticipated resources are known, and the factors affecting supply and demand have been analyzed.

A relocation study can now be written, complete with recommendations to resolve anticipated problems and a timetable for orderly and humane relocation of the persons to be displaced.

RELOCATION PLANNING PROCEDURES

The Relocation Assistance Program is structured in an orderly and logical sequence of surveys, reports, and hearings that are performed for each highway project where displacement may occur. The following is a description of these activities in chronological order:

CONCEPTUAL AND DESIGN STAGE

The Relocation Section will receive a request for a Conceptual Stage Report from the Program Development or the Design Divisions. Those Divisions should provide copies of the preliminary plans or maps detailing the proposed alternate corridors to be considered for the specific project. Upon receipt of said request, the project is assigned to a Right of Way Agent(s) to prepare a Conceptual Stage Report.

Conceptual Stage Survey (CSS) and Conceptual Stage Report (CSR)

The Conceptual Stage Survey is conducted prior to the corridor or location public hearing. Survey data is secured with minimal disruption to residents. The data compiled in the Conceptual
Stage Survey will be incorporated into a Conceptual Stage Report. The following data will be obtained for each alignment that is under consideration for the project:

1. The approximate number of residences to be displaced, including the family characteristics (e.g. minorities, disabilities, income levels, the elderly, large families, tenure, and owner/tenant status.) This is accomplished by a visual inspection in the field of each of the proposed corridors. It should be noted that the number of each category is solely an estimate at this time, and that the status of any vacant and habitable unit may change. Therefore, it should be accounted for in the above categories. This survey should consider the maximum number of displacements, which may occur on each corridor to assure that sufficient replacement housing will be available.

2. A discussion of available housing in the area and the ability to provide suitable relocation housing for each type of family to be displaced that is within the financial capabilities of the relocatees. This is accomplished by tabulation of present and future decent, safe and sanitary replacement sites which may be available based on real estate trends and development within the area as determined by contacts with Public Housing Authorities, Redevelopment Agencies, Real Estate Boards and Brokers, Chambers of Commerce, Local Builders, F.H.A. Offices, and other agencies in the field of housing and home building. For the purposes of this study, it must be presumed that the present sites are within the financial means of the prospective displacees. It shall also be presumed that residents will reestablish themselves in the same occupancy status. (RAAP 1A & 1B)

3. A description of any special advisory services that will be necessary for unique relocation problems.

4. A discussion of the actions proposed to remedy insufficient relocation housing including a commitment to housing of last resort, if necessary.

5. An estimate of the number, type, and size of businesses and farm operations to be displaced and of replacement business sites for affected businesses. The approximate number of employees for each business should be included the discussion along with the general impact of the business displacement(s) on the economy of the community. (RAAP 1)

6. A discussion of the results of early consultation with local government(s) and early consultation with businesses potentially subject to displacement. Discussions of potential sources of funding, financing, planning for incentive packaging (e.g. tax abatement, flexible zoning, and building requirements), and advisory assistance which has been or will be furnished to businesses along with other appropriate information.

7. Impact on the neighborhood and housing community services where relocation is likely to take place. If there will be extensive residential and/or business displacement, the
affected community may want to investigate other sources of funding from local and State entities as well as HUD, the Economic Development Administration, and other Federal Agencies to assist in revitalization of the community.

8. The results of discussions with local officials, social agencies, and such other representatives as may be appropriate regarding the relocation impacts on displaced persons such as people who are elderly and/or disabled, non-driver’s transit-dependent, minorities and other groups.

9. Statements that the housing resources used in the survey are available to all relocatees without discrimination.

The effects on each group should be described to the extent reasonably predictable. The analysis should discuss how the relocation caused by the proposed project will facilitate or inhibit access to jobs, educational facilities, religious institutions, health and welfare services, recreational facilities, social and cultural facilities, pedestrian facilities, shopping facilities, and public transit services.

The Conceptual Stage Report will be used to develop the preliminary plan that should be forwarded to the Program Development or the Design Division through the Real Estate Division Director.

**Corridor and Design Public Hearings**

Where the Conceptual Stage Report indicates displacement by any of the proposed corridors, the Relocation Unit shall be notified by the Environment, Planning and Engineering Division’s, Public Hearings Unit as to the date, time and location of the hearings for the proposed project. Mention of the Relocation Program will be included in the legal advertisement of the Corridor and the Design Public Hearing Notices. No specific relocation notice is required to be sent to individuals.
In order to assure that the public is informed of the eligibility requirements, services and benefits available through the Relocation Assistance Program, designated members of the Relocation Section will make formal presentations at the Public Hearings. Presentations shall include but not necessarily be limited to:

1. **Statement of Policy**

2. The relocation representative making the formal presentation will explain that no person shall be displaced by a project until replacement housing has been made available. Construction on projects involving federal funds cannot be authorized until comparable replacement housing has been made available to all persons displaced by the project.

3. The relocation representative will explain that all replacement housing offered to all persons displaced by the project must be fair housing open to all persons regardless of race, color, religion, sex, or national origin.

4. **Availability of Assistance and Services**
   a. Indicate the address and telephone number of the Central Relocation Office. All in attendance shall be advised that assistance can be obtained by contacting this office.
   b. Briefly indicate the services available including referral to public and private housing, advice concerning financing, and other Federal, State and local programs offering assistance to displaced persons.

5. **Eligibility Requirements and Payment Procedures**
   a. Indicate and briefly explain the payments available to displaced homeowners and tenants including
      i. Moving costs that are reimbursed on either an actual cost basis or according to a schedule based on room count;
      ii. Replacement Housing Payments for homeowners to reimburse for the additional cost of purchasing a comparable replacement dwelling plus increased interest costs and incidental expenses;
      iii. Rental Assistance Payments for tenants and homeowners who wish to rent to assist in meeting the increased cost of in renting comparable housing for the next 42 months;
      iv. Downpayment Assistance Payments for 90-day tenants who wish to purchase replacement housing;
      v. State that eligibility for Replacement Housing Payments for homeowners and tenants depends upon length of occupancy in the present dwelling and is contingent upon securing and occupying a decent, safe and sanitary replacement dwelling within one year.
b. Indicate that the payments available to displaced businesses and farms include
   i. Moving costs that are reimbursed on an actual reasonable cost or self-move basis;
   ii. The cost of searching for a replacement site;
   iii. Certain costs of reestablishing the business at a replacement site;
   iv. Or a Payment-in-Lieu of moving, searching, and reestablishment expenses that equals the average annual net earnings for discontinued or relocated businesses which lose patronage due to their move. Explain that this payment is based on the average annual net income of the two years preceding displacement, but is limited to a minimum of $1,000.00 and a maximum of $40,000.00.

c. State the eligibility requirements for each payment.

d. Indicate that a brochure briefly describing the Relocation Program is available to all in attendance.

6. Discussion of the Probable Displacement and Available Replacement Sites.

7. Using the results of the most recent Conceptual Stage Report for the chosen location and design plans, indicate:
   a. The estimated number of residences, businesses, and farms to be displaced by the design under consideration.
   b. The estimated number of dwelling units presently available that meet the replacement housing requirements for those residences to be displaced.

8. Questions and Answers Provide all in attendance with the opportunity to ask questions about the program and the assistance available.

PRE-RELOCATION INTERVIEWS

The next activity of the Relocation Program begins after final plans have been received from the Engineering Section and prior to the parcels being appraised. The Relocation Section prepares a relocation study developed from information secured in interviews of each affected residence and business; recognizes problems associated with the displacements; and develops proposed solutions to minimize any adverse effects of the required moves. The relocation study will address the following:

1. The number of households to be displaced, including information such as owner/tenant status, estimated value and rental rates of properties to be acquired, family characteristics, and special consideration of the impact on minorities, the elderly, recipients of housing subsidies, large families, and individuals with disabilities.
2. The number of comparable replacement dwellings in the area that are expected to be available to fulfill the needs of those households displaced, including price ranges and rental rates.

3. The number, type, and size of the businesses, farms, and non-profit organizations to be displaced and the approximate number of employees that may be affected.

4. Any special relocation advisory services that may be necessary.
RELOCATION PROCESS

Ideally, a Right of Way Agent is aware of a relocation assignment well before the Real Estate process starts, or at the very least, in time to accompany the Appraiser on their site visit. However, notification may happen at various stages. It may not be determined until later that relocation is necessary. The Right of Way Agent must be flexible and take care to make sure all the steps are covered, regardless of when they are brought into the process.

ELIGIBILITY REQUIREMENTS

There are four categories of persons eligible to receive advisory services:

1. **Persons occupying real property to be acquired for the project.**

   Most of the people to whom the Right of Way Agent will provide advisory services will fall in this category. These are people who are occupants of the project site, also known as **Displacees.** This group may include owners and tenants of residences, owners and tenants of businesses and farms, non-profit organizations, and persons storing items within the area of acquisition. These displacees may be eligible for additional relocation assistance such as Moving, Housing (residential) and Reestablishment (business) Entitlements.

2. **Persons occupying real property adjacent to that being acquired who are caused substantial economic injury 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 it substantial harm. While such businesses are not displaced persons and, therefore, not entitled to business relocation payments, the agency must make available relocation assistance advisory services to them. Examples of such services might include consultation with the business on space needs, current market conditions, or traffic patterns or transportation as they relate to relocating the business; information regarding the availability of relocation sites; or, information about and referral to the Small Business Administration.

3. **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 his or her business location. When it is relocated across town, the owner chooses to move his or her residence also, in order to remain close to the business location.
4. **Persons who move into property after acquisition and are aware that they will have to move due to the project.**

   In such cases, the tenant moves in with the knowledge that they will have to move out when the project requires and that they will not receive relocation payments to assist with the move. Such "short-term occupants" are entitled to advisory services.

**24.208 ALIENS NOT LAWFULLY PRESENT IN THE UNITED STATES**

As described in the regulation 49 CFR 24.208, any person, head of household for a family, or owner of a business, seeking relocation payments or relocation advisory services must certify that they are either a citizen or national of the United States, or an alien who is lawfully present in the United States. This certification occurs when the displacee signs a Certification of Legal Residency in the United States *(see Online Forms, RAAP38)*.

1. The Right of Way Agent is only required to explain the certification process to the displaced person. In the absence of documentation or substantial evidence to the contrary, it is assumed that the signed certification form is valid. At all times, great care shall be taken to collect and review certifications in a nondiscriminatory manner *(see item 3)*.

2. No relocation payments or relocation advisory assistance shall be provided to a person who has not provided the sign certification form described above or who has been determined to be not lawfully present in the United States, unless such person can demonstrate that the denial of relocation benefits will result in an exceptional and extremely unusual hardship to such person’s spouse, parent, or children.

3. Title VI - As a recipient of federal funds, INDOT is required to conform to **Title VI of the Civil Rights Act of 1964** (Title VI) and all related statutes, regulations, and directives which provide that no person shall be excluded from participation in, denied benefits of, or subjected to discrimination under any program or activity receiving federal financial assistance from the U.S. Department of Transportation on the grounds of race, color, age, sex, disability, national origin or income status. Title VI applies to citizens, documented non-citizens and undocumented non-citizens. Title VI applies to every beneficiary who meets the program requirements regardless of citizenship.

**DISPLACEE TYPES**

**RESIDENTIAL DISPLACEES**

**What is a “Household?”**

The Right of Way Agent is responsible for learning the dynamics of the household and determining how to treat all occupants fairly and appropriately. Often, a residence contains an
easily defined family unit. Couples married or not, can be treated as a family unit. Adults and their minor children will be treated as a family unit.

However, it is also common to find a unique combination of individuals that live together. The occupants could be non-related roommates. Sometimes there will be a family unit plus a non-related adult that may or may not be paying rent. Adult children living with their parents must be defined as either “dependent adults” or “non-dependent adults.” Other times, there will be more than one family unit sharing the home.

In each of these cases, it is important to gather information such as:

- The nature of the relationships in the household
- Financial arrangements for household expenses
- Employment status of each adult
- What areas of the home are shared equally and what is exclusively used by certain occupants
- Any formal or informal agreements with respect to use of the home
- How long each adult has lived in the home
- Whether or not all the residents plan to move together or separately

**Residential Categories**

1. **Owner-occupant for 90 days or more** – residents who own their home and have occupied it as their primary home for 90 or more days prior to the Initiation of Negotiations. Possible entitlements include:
   
a. Move costs up to 50 miles
   
b. Replacement Housing Payment or Rental Assistance Payment
c. Advisory Services

2. **Tenant-occupant for 90 days or more** – residents who rent their home and have occupied it as their primary home for 90 or more days prior to the Initiation of Negotiations. Possible entitlements include:
   a. Move costs up to 50 miles
   b. Rental Assistance Payment or Downpayment Assistance Payment
   c. Consideration of the 30% of income rule
   d. Advisory Services

3. **Owner or Tenant-Occupant for less than 90 days** - residents who own or rent their home and have occupied it as their primary home for less than 90 days prior to the Initiation of Negotiations. Possible entitlements under Last Resort Housing include:
   a. Move costs up to 50 miles
   b. Advisory Services
   c. Rental Assistance Payment (if justified under Last Resort Housing)
   d. Consideration of the 30% of income rule (tenants only)

4. **Special Cases:**
   a. **Mobile home** residents will need to have their entitlements determined on an individual basis because their situations can vary:
      i. Own the home and rent the lot
      ii. Own the home and the lot
      iii. Rent the home and the lot
      iv. Rent the home and own the lot
   b. **Seasonal home** occupants will be eligible for moving entitlements only. Because they are not being displaced from their primary residence, they will not be allowed to claim a Replacement Housing Payment.

**BUSINESSES AND OTHER NON-RESIDENTIAL DISPLACEDES**

1. **Businesses** - A business can be Owner-Occupied or Tenant-Occupied. They will be treated the same except in how some personal property vs. realty issues are decided. A tenant may have a clause in their lease concerning tenant-owned improvements or trade fixtures. It is important to obtain a copy of the lease as soon as possible in order to make accurate determinations about this and other issues.
Refer to *Moving Entitlements* starting on page 357 and *Non-Residential Occupant Entitlements* starting on page 441 for more detail; possible entitlements include:

a. Move costs up to 50 miles and  
b. Business Reestablishment and  
c. Searching Expenses  
   -OR–  
d. Fixed Payment in Lieu

2. **Landlords** - A landlord is treated the same whether the property they own is residential or commercial. The State of Indiana considers landlords to be business owners. However, many other states do not consider owning rental property to entitle a landlord to the benefits afforded to businesses. Even in Indiana, landlords are not eligible for the Fixed Payment in Lieu option that is afforded to other businesses.

   In order to qualify someone as a landlord, there must be evidence of a formal rental agreement. At the very least, there should be a signed lease and tax records for the rental income. This documentation should be collected at the *Appraisal / Inventory Meeting*, the *Initial Meeting* or sometime in between in order to justify the determination of entitlements to be provided.

   Refer to *Moving Entitlements* starting on page 357 and *Non-Residential Occupant Entitlements* starting on page 441 for more details; possible entitlements include:

   a. Move costs up to 50 miles  
   b. Business Reestablishment  
   c. Searching Expenses

**Other Non-Residential Moves**

Churches, government entities, farms and nonprofits will be treated just like a business. See *Moving Entitlements* starting on page 357 and *Non-Residential Occupant Entitlements* starting on page 441 for more details.

**Previously Unidentified Businesses**

Right of Way Agents may need to gather evidence to show that a business is actually present before making any determinations. This may occur when the business is being operated in a residence, if the displacee claims to have two separate businesses operating in the same location, if the business appears to be defunct already, or if the area of acquisition is not the primary business location. Evidence can take the form of tax records, licensing, or copies of receipts, contracts or invoices.
PERSONAL PROPERTY MOVE ONLY (PPMO)

A Personal Property Move Only (PPMO) is just that – the parcel is not occupied by people or an organization. The move will not disrupt the operation of a business or displace residents. A PPMO merely involves moving personal property. Many times this will occur with an area or building that is used for storage – a barn or bare land, for example. Possible entitlements include:

- Moving costs up to 50 miles

RELOCATION PARCEL ASSIGNMENT

When a relocation parcel is assigned to a Right of Way Agent, a Reviewer will also be designated. This designation will occur either prior to the assignment, or directly after the Appraisal/Inventory Meeting paperwork is submitted. An Agent may have a different Reviewer for each parcel that is assigned to them. The Reviewer is the first point of contact with INDOT Central Office for any questions or approvals. This procedure will be followed for INDOT and for Local Public Agency acquisitions. The Right of Way Agent must allow sufficient time for their Reviewer to consider any submittal or request – a minimum of 24 hours (1 full business day) for less complicated issues, and a minimum of 3 business days for complex items such as pre-approval for Last Resort Housing or unusually large move determinations.

Upon receiving a parcel assignment, the Right of Way Agent should immediately review all available materials for the parcel and prepare a file. The Progress Check Sheet (see Online Forms, RAAP11, 11a & 11b) is a useful tool to record basic information on the front of the file folder and to track all the steps that are taken throughout the relocation process. Right of Way Agents are required to maintain parcel files with records of all documents, activities, contacts with displacees and/or their representatives, and invoices for a minimum of five years following final payment for relocation services. Creating this file immediately will make it possible to organize all the information that will be gathered in the coming months. Many Agents will begin to prepare the Appraisal/Inventory Meeting materials at this time as well so that they can be ready at a moment’s notice.

CONTACTING THE DISPLACEE

The first point of contact with the displacee is usually the Appraisal / Inventory Meeting, which is set up by the Appraiser. All contact following that point will be initiated by the Right of Way Agent in whatever manner seems to work best for the displacee.

PROGRESSIVE CONTACTS OF DISPLACEES

The Agent shall maintain frequent and continued personal contact with the displacee for the purpose of providing ongoing relocation assistance and information about the relocation program. The Agent must contact the displacee every 7 days while the parcel is active and a
minimum of every 30 days if the parcel is in a waiting stage. The updated status of the parcel must be documented in LRS as a remark. Depending on the status information, further documentation in a Right of Way Agent’s Report (RAAP8) may be necessary as well.

**DOCUMENTING ATTEMPTS TO CONTACT**

Every Right of Way Agent will eventually encounter a situation where the displacee(s) will refuse to meet or cooperate with the acquisition and/or relocation process. It is the responsibility of the Agent to document multiple attempts and various methods to engage the displacee(s). This is especially important for required relocation milestones such as issuing the Entitlement Letter and 90-Day Notice (see Online Forms, RAAP16, 17, 17a, 30 & 30a).

When a displacee refuses to accept the delivery of a required notice, or when personal contact of the displacee proves not to be possible, the Agent should use Certified Mail and First Class Mail concurrently to accomplish notification requirements for relocation information and eligibility determinations. Documentation will be required in the form of copies of the letters sent, mailing receipts, and tracking information in the form of the green Certified return card or information printed from the mail delivery company’s website with a Right of Way Agent’s Report (RAAP8).

The Agent should also visit the home of the displacee to leave the notice at their front door. This can be documented with a photograph of the notice as it is placed, and a Right of Way Agent’s Report (RAAP8) explaining the situation. In the extreme case, it may be necessary to publish a notification to show that all possible attempts have been made. If this appears to be the case, consult with the Reviewer.

When personal contact proves difficult or impossible for an individual, documenting all of these steps shows that the Right of Way Agent has demonstrated due diligence in providing the displacee(s) with information regarding their rights.
APPRAISAL / INVENTORY MEETING

Purpose

The purpose of the Appraisal / Inventory Meeting is to gather information about the displacee(s) and the property that will be acquired and to work with the appraiser on personal vs. real property issues. To be in compliance with the Federal regulations that follow, the Right of Way Agent assigned to relocation is required to attend the initial on-site appraisal inspection for all parcels which will involve relocation entitlements: residential, business, farms, personal property moves, and non-profit organizations.

49 CFR 24.103 (a)(2)
The Agency has the responsibility to assure that the appraisals it obtains are relevant to its program needs, reflect established and commonly accepted Federal and federally-assisted program appraisal practice, and as a minimum, complies with the definition of appraisal in § 24.2(a)(3) ...

49 CFR 24.103 (a)(2)(i)
An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property. (See appendix A, § 24.103(a)(1).)

49 CFR 24.205(c)(2)(i)(c)
For businesses, an identification and resolution of personalty/realty issues. Every effort must be made to identify and resolve realty/personalty issues prior to, or at the time of, the appraisal of the property.

Procedures

The Relocation Assembly Manual includes a page for this meeting. Following the checklist and instructions will help ensure that all the necessary information has been gathered. The Relocation Assembly Manual page is to be used as a cover page for all the documentation gathered at the Appraisal / Inventory meeting. The packet must be submitted for review within 24-48 hours of the meeting.

While it is only required to bring documents and paperwork related to the displacement type that is anticipated, it is a good practice to keep a supply of extra brochures and a variety of Interview
Questionnaires (see Online Forms, RAAP41a, b, c & d) on-hand in case an unexpected situation becomes apparent. It is not unusual to be prepared for a simple business owner-occupant meeting and find that there is also a tenant, for instance. When this occurs, be sure to obtain as much information and documentation as possible to demonstrate that there might be an additional or different displacee type. Do not share any conclusions with the displacee(s) until the information has been submitted to the Reviewer and the displacee type(s) has been authorized.

As with any milestone in the relocation process, LRS must be updated with the information that is gathered at the Appraisal / Inventory Meeting. At the very least, this will include filling in dates, entering and verifying address and phone number, indicating the displacee type, entering the Title VI data and a note in the remarks section. These entries should be made within 24-48 hours of the meeting.

During this meeting, the following activities need to be accomplished:

- Attend appraiser’s walk-through to help determine real vs. personal property
- Relocation brochure and agent’s contact information delivered
- Residential, Business, Landlord or PPMO Questionnaire
- Comparable Properties sheet (see Online Forms, RAAP14 & 14t) for residential parcels
- Exterior photo of all structures
- Photos of street/neighborhood to the right and left of the property
- Photo inventory of all identified personal property (this will be accomplished with the assistance of the appraiser and property owner)

The following information will enable the Right of Way Agent to provide the required Advisory Services and begin searching for appropriate comparable properties.

- The preparation of an inventory of characteristics and needs of individuals, families, businesses and non-profit organizations and farms to be relocated.
- A survey of the real estate market to determine if an adequate supply of comparable replacement housing and suitable replacement locations for businesses and farms will be available to meet the needs of the displaced persons in a timely manner.
- An analysis of the problems anticipated in the relocation of the project occupants including any special relocation advisory services that may be necessary.
- Propose solutions for resolving the problems.
When interviewing a business displacee, the Right of Way Agent must learn basic facts about the displacement. Remember if problems are revealed early in planning, various solutions and resolution of those anticipated problems can be provided without adverse impacts or costly delays to the project. Below are a few of those basic facts:

1. The business’s replacement site requirements, current lease terms, other contractual obligations, and the financial capacity of the business to accomplish the move.

2. Determination of the need for outside specialists than will be required to assist in planning the move assistance in the actual move and in reinstallation of machinery and/or other personal property.

3. An estimate of the time required for the business to vacate the site.

4. An estimate of anticipated difficulty in location a replacement property.

5. An identification of any advance relocation payments required for the move, and the Agency’s legal capacity to provide them.

RESEARCH PHASE – DETERMINATION OF ENTITLEMENTS

This phase is the period of time spent waiting for the Appraisal to be prepared and reviewed. It is not a time to be idle – this is the best time to prepare for the next major step in the relocation process: the Initial Meeting. There will likely be several times that the Right of Way Agent will be in touch with the displacee(s) – these points of contact should be documented in LRS as part of a contact log in the remarks section. During this time period, it is likely that all the eligible entitlements will be determined as well – these should be documented in the appropriate fields in LRS as well.

Advisory Services

After talking with the displacee(s) at the Appraisal / Inventory Meeting, it should be clear what advisory services will be needed. It is helpful to review the Interview Questionnaire and any notes that were taken at the Appraisal / Inventory Meeting to identify needs and special situations. In the weeks or months between the Appraisal / Inventory Meeting and the Initial Meeting, the Right of Way Agent should make an effort to gather resources and possible solutions for the displacee(s) so that they can be shared at the Initial Meeting.
Inventory and Move Determination

As soon as possible after taking inventory at the displacement site, Right of Way Agents should prepare an inventory presentation. Many times this will be a collection of photos with captions with the following information:

- Room where the photo was taken
- Items in the photo that will require special consideration (pianos, complex machinery)
- Items that are duplicated in other photos and should not be counted twice
- Identification of real property in the picture that should not be counted

A photo inventory is only as good as the photos that are used. Be sure to provide photos that clearly show the items such that they can be easily identified.

If the inventory includes items that need to be noted specifically, the Inventory of Personal Property (see Online Forms, RAAP26) can be used. For complex moves, it is helpful to create a chart that will track specific items and special considerations. (Refer to the Professional Mover section on page 370 of the Moving Entitlements chapter for an example of the chart.)

Once the inventory presentation is prepared, the Right of Way Agent should use information gathered from the Inventory / Appraisal Meeting to establish which type of move the displacee(s) will be using. If the displacee(s) did not indicate a choice during the Appraisal / Inventory Meeting, the Agent should first contact the displacee(s) to learn their preference. If no decision has been made, the Agent could prepare a move determination based on the option(s) that would make sense for the displacee(s).

Any move determination that exceeds $4,000.00 must be pre-approved by INDOT Central Office. In order to obtain pre-approval, the Agent can send a Right of Way Agent’s Report (see Online Forms, RAAP8) detailing the determination along with all supporting documentation to their assigned Reviewer.

The Relocation Assembly Manual includes pages for a variety of move payment types. It is a good practice to use the assembly page that corresponds to the chosen move type in order to prepare a move determination. This ensures that all the necessary supporting documentation is included. Please see Moving Entitlements starting on page 357 for more information regarding move types.

Comparable Property Search

Regardless of the type of displacement, the Right of Way Agent should immediately begin searching for available comparable properties. If the displacee is a business, landlord, farm or other non-residential entity, the Right of Way Agent is required to offer listings of available properties as advisory services.
It is a good practice to document dates and sources for each session of searching for comparable properties. This can be noted in a Right of Way Agent’s Report or in LRS.

**Replacement Housing Entitlement Determinations**

If the displacement is residential, these available properties can be collected as evidence to support a **Replacement Housing Payment (RHP)** in the form of a **Price Differential Payment**, **Rental Assistance Payment (RAP)**, or **Downpayment Assistance Payment (DAP)** determination and can also be offered to the displacee(s) as advisory services.

Every project timeline is different. Some projects will require the Right of Way Agent to be prepared to issue the Entitlement Letter and 90-Day Notice (see Online Forms, RAAP16, 17 & 17a) and explain all entitlement determinations including housing entitlements at the Initial Meeting. Other projects will allow the Comparable Property Search phase to begin after the Initial Meeting, which will require yet another meeting to issue the Entitlement Letter and 90-Day Notice and explain all the entitlements. Either way, as long as there has been sufficient time to perform a thorough Comparable Property Search, the Right of Way Agent should begin to calculate the potential housing entitlement determinations once the appraisal becomes available. This practice minimizes the amount of time the displacee(s) will have to wait for their relocation information after they receive an offer for the acquisition.

Procedures for calculating RHP/RAP/DAP determinations are detailed in the **Replacement Housing Entitlements** chapter. Any RHP/RAP/DAP that requires Last Resort Housing (LRH) must be pre-approved by INDOT Central Office. In order to obtain pre-approval, the Agent must follow the guidelines for additional documentation and justification described under **Last Resort Housing** in the chapter entitled **Special Topics in Housing Entitlements** to gather all supporting documentation that will be required for submission. After completing the potential Replacement Housing entitlement determination, the Right of Way Agent shall:

1. Thoroughly check all computations, assemble all data, and complete all forms and documentation as required in the **Relocation Assembly Manual**.

2. Submit the determination to the Reviewer for approval (required for all determinations if the Agent is in the probationary period and for any determination that is Last Resort Housing for all Agents)

3. If the Initiation of Negotiations has already occurred, arrange to meet with the displacee(s) to explain the entitlements in detail as soon as possible after obtaining approval from the Reviewer. This may happen at the Initial Meeting, or may happen at a subsequent meeting, depending on project timeline expectations.

Failure to act quickly could result in having to identify a new prime comparable and re-calculate the determination because the first prime comparable was purchased or rented.
INITIAL MEETING

Once the appraisal report is ready, the Right of Way Agent assigned to buying will initiate negotiations by preparing and presenting the Uniform Offer. Sometimes the buying Agent will invite the Right of Way Agent assigned to relocation to the Offer Presentation Meeting. If the buying Agent presents the offer alone, the relocating Agent must schedule the Initial Meeting as soon after the Initiation of Negotiations as possible (no more than two weeks).

In order to be prepared for either scenario, the relocating Agent should prepare the Initial Meeting presentation (including any necessary pre-approvals for determinations) as soon as the appraisal report is delivered. The Relocation Assembly Manual includes pages for Residential, Business and PPMO Initial Meetings, as well as pages for pre-approvals for issuing a residential 90-day Notice. Additional information will be required for any entitlement determination that falls into Last Resort Housing. Following and instructions in this manual and the checklists in the Relocation Assembly Manual closely will ensure that all the required information is covered in this meeting.

After the Initial Meeting is complete, the Initial Meeting packet (with the Relocation Assembly Manual page as a cover sheet) must be submitted to the Reviewer within 24 hours. It is expected that all Initial Meeting materials will be signed by the displacee(s). LRS should be updated with all pertinent data and a note in the remarks section within 48 hours.

Daily Notice to Relocation

Please note that INDOT Central Office has discontinued requiring the use of the Daily Notice to Relocation for State projects as of October 2014, citing that:

- Relocation is now noted in LRS
- Right of Way Agents assigned to Relocation are attending the Appraisal Meeting

In the case of Local Public Agency (LPA) projects, the LPA has the discretion to require this form be used. Use of this form does not preclude the requirement that Right of Way Agents assigned to Relocation attend the Appraisal meeting.

PURPOSE

The purpose of the Initial Meeting is to explain the relocation program fully and to inform the displacee(s) of their rights and any entitlements that they are eligible to claim. When appropriate, the Entitlement Letter and 90-Day Notice (see Online Forms, RAAP16, 17, 17A & 30) will be issued. This meeting typically should take no more than 60-90 minutes.
PROCEDURES

The *Relocation Assembly Manual* includes pages for Residential, Business and PPMO Initial Meetings. Following the checklists and instructions carefully will help ensure that all the necessary information and documents are covered in the meeting. In addition, it is important to refer to the Relocation Assistance Verification form (*see Online Forms, RAAP10 a & b*) during the meeting to verify that all topics and documents have been presented.

In the rare case that the Right of Way Agent has not had the opportunity to attend an Appraisal / Inventory Meeting or schedule an Inventory Meeting independently of the Appraiser, the Initial Meeting is best time to cover all the Appraisal / Inventory Meeting material. By the time the Initial Meeting is complete, the Agent should have accomplished the following steps:

1. Personally interview the person(s) to be displaced, but not duplicate the previous interview from the planning stage or the Appraisal / Inventory Meeting
2. If the property is occupied by other than the owner, the Agent shall secure a list of tenants from the landlord. (*see Online Forms, RAAP9*)
3. Explain the relocation assistance that is available as a result of being displaced by the project, including
   a. Where the Agent may be reached and the location of the INDOT Central Office and/or Project Office,
   b. A description of relocation services and resources available to assist displaced persons; and
   c. A description of the assistance and information that will be provided by the Right of Way Agent during future personal contacts with the displacee;
4. Complete the appropriate forms and secure sufficient information about the displacee's needs and the displacement dwelling as described in the appraisal to identify comparable replacement dwellings for referral and Replacement Housing Payment determinations; (RAAP 12 & 14)
5. Explain the applicable Replacement Housing Payments to which the displacee may be entitled when purchasing or renting replacement housing and any related eligibility requirements;
6. Determine the displacee(s) eligibility for replacement housing benefits from information provided by the displacee and based on whether the displacee:
   a. has been in occupancy for 90 days before initiation of negotiations for the parcel; or
   b. was in occupancy at the time a written notice of intent to acquire was issued;
7. Explain that eligibility amounts are determined using comparable dwellings presently available for purchase or rent and that the address and listing or rental price of the dwelling used in the determination will be provided to the displacee;

8. Explain that dwellings used in Replacement Housing determinations will be functionally equivalent to the subject dwelling according to the definition of comparability in the Uniform Relocation Act;

9. Explain to displacees with disabilities that the cost to make replacement dwellings free of barriers may be added to the Replacement Housing Payment for which they are otherwise eligible;

10. Explain that the displacee cannot be required to move permanently until:
   a. At least one comparable replacement dwelling has been made available and the displacee has been informed of its location
   b. Sufficient time has been provided to negotiate and enter into a purchase agreement or lease for replacement housing
   c. Assurance has been provided of receiving the relocation assistance and acquisition compensation to which the displacee is entitled, subject to reasonable safeguards, in sufficient time to complete the purchase or rental of replacement housing
   d. At least 90 days advance written notice has been provided before being required to move

There are several documents that will be presented throughout the Initial Meeting that require a signature. While the displacee(s) should not be coerced into signing anything, it is important to request signatures. It should be the exception, not the rule that a displacee refuses to sign. If a displacee does refuse to sign, however, the Right of Way Agent must write “refused to sign” on the signature line. The documents should be presented again at a later time with a request for signatures. Usually, a displacee will be willing to sign all the necessary documents when it is time to claim a relocation payment. While all documents with a signature line should be signed before the parcel is closed, critical signatures include:

- Relocation Assistance Verification (RAAP10a & b)
- Certification of Legal Residency (RAAP38)
- Vendor Information Form (W-9)
- Vouchers
IMPORTANT DOCUMENTS

Business Letters (RAAP45a & b, 46, 47, 48)

*These forms are exclusively intended for business, non-profit and farm displacees.*

1. **RAAP45a and 45b** give information regarding options that are available to business, farms, and non-profits (RAAP45a), and to landlords (RAAP45b).

2. The notice to businesses, farms and non-profits is titled Business Reestablishment vs. PIL (*see Online Forms, RAAP45a*) and shows that displacees can choose between taking entitlements for moving, searching and reestablishment separately, or they can choose to take a Payment in Lieu, which is also sometimes called a Fixed Payment. It lays out the basic payment limits so that the displacee(s) can make an informed choice. These options are discussed in more detail in the *Moving Entitlements* chapter.

3. The notice to landlords is titled Landlord Business Reestablishment (*see Online Forms, RAAP45b*). It omits the information about Payment in Lieu because this option is not available for landlords.

4. RAAP46 is titled Business Reestablishment Guidelines (*see Online Forms, RAAP 46*). It outlines some of the requirements regarding reestablishment claims. An important element to make clear to the displacee(s) is that all reestablishment claims must be pre-approved by INDOT Central Office, so it is very important to maintain communication about all reestablishment plans. The remaining requirements will be easily met if the displacee adheres to the pre-approval process.

5. RAAP47 is titled Business Eligible Moving (*see Online Forms, RAAP 47*). It lists the items and activities that are considered eligible for reimbursement or payment for businesses under the moving payment category. This form also mentions the Searching Expenses Reimbursement.

6. RAAP48 is titled Business Ineligible Moving (*see Online Forms, RAAP 48*). It lists the items and activities that are not eligible for reimbursement or payment for businesses under the moving payment category. Some of the activities are not eligible for moving payments because they are eligible for Reestablishment Reimbursement.

Entitlement Letter and 90-Day Notice (RAAP16, 17, 17A, 30 & 30A)

*These forms are intended for every displacee.*

This is a required written notice that may be issued at the Initial Meeting or at a subsequent meeting, depending on the project timeline. A lawful occupant cannot be required to move unless he or she has received a written notice at least ninety days in advance of the date by which he or she may be required to move. When the notice is presented, it is important to explain all the
information that it provides and to make it clear that this is not a notice to vacate. It simply informs the displacee(s) of their rights, entitlements, and states that they will not be required to move for the next 90 days. Another important element to discuss is that the displacee has the right to appeal any determination within 60 days of being notified.

The Agent may issue the notice 90-days or more before the person is expected to be required to move. However, the notice should not be issued before the displacee is notified of the following:

- Initiation of Negotiations
- Available comparable housing for residents
- Replacement Housing Payment, Rental Assistance, or Downpayment Assistance
  Payment determination for residents
- Searching and Reestablishment reimbursement for businesses, landlords, farms, and non-profits
- Moving payment determination for all displacees

The Entitlement Letter informing residential occupants of their specific maximum Price Differential, Rental Assistance or Downpayment Assistance entitlement determination and the 90-Day Notice are included in the same form. For landlords, businesses, farms, non-profits and Personal Property Moves (PPMOs) the Entitlement Letter and 90-Day Notice are also combined, but the notice of entitlement is more generalized. For all displacees, the actual move payment determination is to be issued in a separate document.

In unusual circumstances, an occupant may be required to vacate the property with less than 90-days advance written notice if the State determines that a 90-day notice is impractical. An example of when this would occur would be when a person's continued occupancy of the property would constitute danger to the person's health or safety. A copy of the determination shall be included in the parcel file.

**Issuing the Entitlement Letter and 90-Day Notice to Residential Displacees**

1. Arrange an appointment at the earliest convenience of the displacee (after the Right of Way Agent assigned to Buying has initiate negotiations) to explain the entitlements and issue the entitlement letter
2. Explain to the displacee how the entitlement was determined
3. Specify the entitlement amount and identify the location of the comparable dwelling used as the basis of the determination
4. State that transportation assistance can be made available to the displacee to visit the comparable dwelling that was used
The Right of Way Agent shall explain that referrals to additional properties will be made, as they
become available. Since the referrals are for replacement housing, the rental rates and/or prices
of the referrals shall be within the financial means of the displacee.

The Right of Way Agent shall in no way act as an agent for any landlord or real estate broker.
The Agent will be careful in all conversations to avoid favoring one landlord/home seller over
another in the recommendations that are made to the displacee.

**Payment Notice (RAAP42a & b)**

*These forms are intended for every displacee.*

The Payment Notice *(see Online Forms, RAAP42a & b)* gives information that is helpful to
know in anticipation of receiving relocation payments so that the displacees can plan accordingly:

1. Use a contingency clause on an offer for a replacement property to protect the Right of
   Way Agent against losing the sale, forfeiting earnest money, or having to pay a penalty
2. Plan ahead and allow sufficient time for payments to be processed as they can take 45-
   60 days for relocation payments and up to 90 days for acquisition payments
3. The acquiring agency (State of Indiana or local agency) cannot be held responsible for
   any loss, damage, or inconvenience caused by not heeding the first two statements, or
   by not communicating with the buying or relocating agents in a timely manner
4. By Federal law, relocation payments are not reported as taxable income, but acquisition
   payments will be reported

RAAP42b is to be used only in situations where Incentive payments have been approved for a
project. This version of the form states that Incentive payments for relocation and acquisition
will be reported as taxable income.

**Tax Law Information (RAAP43a & b)**

*These forms are intended for every displacee.*

The Tax Law Information form *(see Online Forms, RAAP43a & b)* states more specifically that
according to Public Law 91-646, relocation payments are not to be considered taxable income. It
also clarifies that acquisition payments are not included in this law.

RAAP43b is to be used only in situations where Incentive payments have been approved for a
project. This version of the form states that Incentive payments for relocation and acquisition
will be reported as taxable income.
MOVING PHASE

ADVISORY SERVICES

Right of Way Agents assigned to relocation should continue to provide the displacee with current information on the availability, purchase prices, and rental costs of available replacement properties.

The Agent shall advise that assistance and counseling is available in locating financing or completing lease arrangements for the replacement property. He or she will offer assistance in making moving arrangements and provide referrals as needed to both public and private agencies."

MONITOR MOVE

The Right of Way Agent should keep in contact with their displacee(s) such that they will have advance knowledge of the move date. In anticipation of the completion of the move, the Agent should prepare a voucher, assemble the supporting documentation according to the corresponding page in the Relocation Assembly Manual, and submit the packet to be processed for payment. This will make it possible to release a moving payment as soon as the move is complete and all requirements have been met.

The Right of Way Agent should, at the very least, be available on the day of the move. Many times it is wise to be present in order to monitor the progress. The degree of surveillance should be commensurate with the complexity and cost of the move. More complex moves may require a full time presence while low cost, simple moves may be serviced by a follow-up visit to the replacement site.

The surveillance of the move has several purposes. Most important for complex moves, the Agent monitoring the move should determine if the move is taking place in substantial accord with the specifications. If the mover completes less than the scope of work described in the move bid, either through non-performance or reduction in inventory before the move, there should be a renegotiation of payment to recover the savings for the State. If significantly more work is involved than had originally been specified, there may be an upward adjustment due, pending approval by INDOT Central Office. Surveillance is also helpful to the displaced person because problems, misunderstandings, and questions can be heard and resolved by the Right of Way Agent while the move is taking place.

MOVE INSPECTION & RIGHT OF WAY CLEAR

Please note that the move inspection is one of many steps that must be completed before the Right of Way can be considered “Clear.” The Right of Way Agent assigned to Relocation can only state that the Right of Way is clear of personal property for Relocation purposes. District
and Central Office Property Management personnel will determine when the Right of Way is “Cleared.”

When the move is complete, the Right of Way Agent must perform a move inspection. The main purpose of a move inspection is to verify that all personal property, trash, unwanted items, and hazardous materials have been completely removed from the area of acquisition. Secondly, if the acquisition has been paid or, in cases of condemnation, money has been posted and the 30-Day Notice to Vacate has expired, the property will need to be secured, posted, and baited and keys will need to be collected.

If the property has not been paid nor has money been posted, these activities are not allowed unless the Right of Way Agent obtains a signature on an Authorization of Entry (see Online Forms, AOE). Without an Authorization of Entry, the move inspection will simply confirm that the area of acquisition has been cleared for Relocation purposes.

Generally, Right of Way Agents are expected to dress professionally for meetings with displacees. When planning for a move inspection, the Agent should consider the tasks that may be involved and dress accordingly.

### 48-Hour Notification to District

As soon as an appointment for the move inspection is made, the Agent should notify the Relocation Supervisor and representatives from the district where the project is located. Notification must be given at least 48 hours prior to the appointment. The 48 hour notification should include the current ownership status and the tasks being completed during the inspection. It should also include code and parcel, address of the acquisition, name of the displacee, and the time of the appointment.

After receiving notification, a representative from the district will likely attend the move inspection. If so, they will take responsibility for securing the property, taking keys, posting signs that state the area has been purchased by the State (or local agency), and for placing pest control bait throughout the property. If the district representative is not able to attend the inspection, the Right of Way Agent will be expected to perform these duties.

The 48 hour notice to the district Right of Way office is required and must be documented in the relocation file with a copy of the e-mail that was sent to the district.

### Securing the Property

The following tasks should be completed when securing a property that has passed a move inspection, if the acquisition has been paid, money has been posted, or an AOE has been signed:

1. If the district staff is not present when keys are obtained, the keys must be submitted to the Office of Real Estate Property Management section with a tag indicating the owner’s name and code and parcel numbers
2. Agent must verify that all personal property, trash, unwanted items and haz-mat have been removed from the acquired Right of Way

3. Agents must apply rodent control in all areas of the building

4. Agents must post notices of State ownership on all four sides of the building, in windows or outside in public view

5. All doors and windows are to be locked and/or secured. The main electric circuit breaker should be turned off and all water faucets should be in the off position

6. All health hazards (refrigerators, freezers, etc.) are to be removed or disabled

7. Any structural damage or if the property cannot be properly secured should be reported to the district Real Estate office

8. Safety must always be of concern when an agent is performing these duties

**Confirm Completion of the Move**

The expectation is that the displacee(s) remove all personal property, trash, hazardous materials and unwanted items from the area of acquisition. If the displacee(s) chose to retain any items, those should be removed as well. Once the move inspection is complete, the Right of Way Agent should obtain a signature on a Right of Way Agent Report (RAAP8). This report must be forwarded to the Reviewer, Relocation Supervisor and representatives of the district within 24 hours of the move inspection to confirm whether or not the move is complete.

The Report should detail the move inspection and declare if:

- The Right of Way has been cleared completely or just for Relocation purposes
- The area was secured, posted and baited
- Keys were collected
- If an Authorization of Entry was required and obtained
- W-9 obtained with replacement address

The Right of Way Agent must also update the Move/Occupants screen in LRS with all relevant dates, the replacement address, whether or not the district was present, and a note in the remarks section.

**Abandoned Property**

In the case that the displacee(s) failed to remove all personal property, trash, unwanted items and hazardous materials from the area of acquisition, consult with the Reviewer and a district representative to determine whether the item(s) can be considered Abandoned Property (see Online Forms, Abandon Property Letter, RAAP39) with a possible reduction in the move
payment, or if the item(s) must be removed by the displacee(s). All of this information should also be documented in the remarks section of LRS.

**ISSUING ENTITLEMENTS**

Payments are initiated by creating a voucher (INDOT Agents will use LRS for this) and preparing a packet of documentation with a cover page from the *Relocation Assembly Manual*. The Right of Way Agent’s Report (*RAAP8*) should always include a description of the specific requirements.

Some displacees do not claim all of their entitlements immediately, if at all. It is important, however, that the Right of Way Agent makes it clear what the displacee is eligible to claim, and what all the requirements are. The Agent must check in periodically (ideally every 7 days and minimally every 30 days) with reminders of the possible entitlements, requirements and dates by which the claims must be made. A note in the remarks section of LRS should be made for each of these reminders as evidence of advisory services.

**BASIC REQUIREMENTS**

Every entitlement has its own requirements before it can be disbursed. These requirements are discussed in detail in subsequent chapters and in the corresponding page in the *Relocation Assembly Manual*, but the following basic requirements should always be met:

1. All entitlements require documentation that the expense is “actual, reasonable, and necessary.” This takes different forms depending on the type of entitlement, but will always be required.

2. All moving entitlements require that the Agent verify that all personal property, trash, unwanted items and hazardous materials be completely removed from the area of acquisition.

3. Any payment that is considered a reimbursement will necessitate proof of payment before reimbursement can be released. This can be a receipt, a cancelled check, or a zero balance invoice.

4. Housing entitlements can only be paid to residential displacees who secure and occupy decent, safe, and sanitary (DS&S) dwellings within 12 months of the date of displacement. Displaced persons are encouraged to request a DS&S inspection (*see Online Forms, RAAP18*) by their Right of Way Agent of any replacement dwelling they are considering before they make any financial commitment on that dwelling.
5. All claims must be made within 18 months of the date of displacement. This date is defined in several different ways:
   a. **Owner Occupants** – the latter of:
      i. The date they move from the displacement location
      ii. The date of final payment for the displacement location
      iii. In condemnation cases, the date the final judgment is paid
   b. **Tenants that must move - the date they move from the displacement location**
   c. **PPMOs and Tenants with the option to move** - the latter of:
      i. The date of the 90-Day Notice
      ii. The date of final payment for the displacement location
      iii. In condemnation cases, the date the final judgment is paid

Once a displacee has met the requirements, payment can be mailed, delivered by hand, or if available, released for direct deposit. INDOT checks include a receipt portion – this should be signed by the recipient as evidence of payment. Other agency checks may differ, but the Agent is responsible for documenting proof that the payment was received. The receipt should be submitted to INDOT for the parcel file.

**PAYMENT AFTER DEATH**

A relocation entitlement payment is personal to the displaced person. After a displacee’s death the non-disbursed portion of any such payment shall not be paid to the heirs or assigns, except that:

1. The amount attributable to the displaced person's period of actual occupancy of the replacement housing shall be paid

2. The full payment should be disbursed in any case in which a member of a displaced family dies and the other family member(s) continue to occupy the replacement dwelling selected in accordance with these regulations

3. Any portion of a Replacement Housing Payment necessary to satisfy the legal obligation of an estate in connection with the selection of a replacement dwelling by or on behalf of a deceased person shall be disbursed to the estate

**CLOSING FILE**

Once all entitlements have been processed and/or the allotted time period for making claims has expired, the file can be closed. A closed file can always be re-opened if circumstances require it. The *Relocation Assembly Manual* includes a page with requirements and instructions for preparing a file for closing. Following these instructions will help ensure that the file has been thoroughly reviewed and that all the documents and steps have been taken care of properly.
Before submitting a File Closed Right of Way Agent’s Report (see Online Forms, RAAP8) to a Reviewer, the Agent should make sure that LRS is completely updated and that the remarks section has sufficient information to recount the story of the relocation process. A final note should be added that the file will be closed.

SPECIAL PROCESSES

APPEALS

As noted in the Entitlement Letter and 90-Day Notice (see Online Forms, RAAP16, 17, 17A, 30 & 30A), “any person may appeal the State’s eligibility determination or amount of relocation entitlement by submitting a written appeal to the Relocation Unit within 60 days of the date of the determination.”

The best way to avoid appeals is for the Right of Way Agent and the acquiring agency (INDOT Central Office or Local Public Agency) to make every effort to comply with the Uniform Relocation Act and applicable regulations when providing relocation assistance for a project. Right of Way Agents who know the regulations and State procedures follow them carefully and work effectively with displacees to meet their needs in accomplishing their relocation will avoid many appeals.

In accordance with the 1987 amendments to the Uniform Act, appeal rights are no longer confined to the amount of or eligibility for payments. Persons filing appeals may be anyone who believes he or she is eligible for assistance of some kind. However, there could be appeals by persons desiring status as a displaced person or requesting assistance because of the proximity of their business or residence to the project.

Frequently, displaced persons will tell the Right of Way Agent about assistance procedures, eligibility criteria, comparables that were used, or payment amounts that were computed with which they are concerned or displeased. These items can become the subject of an appeal if they are not responded to promptly and comprehensively by the Agent. Sometimes, a displaced person may be complaining about one thing when they are really upset about something else. Careful listening will reveal the real problem and often a resolution can be identified without entering the appeal process.

Informal Appeal

An informal appeal could occur if the Agent is not able to provide resolution for the concerns in question. This would involve taking the concerns on an informal basis to a supervisor or to the Relocation Manager, as appropriate. A reevaluation of the relocation assistance, the selected comparable, payment computations, or of the offered services may be necessary. Understanding the reasons for payment computations or the selection of comparables may be the clue to the Right of Way Agent being able to provide an acceptable rationale to the displaced person.
If the displaced person is still dissatisfied with the determination, they may enter the formal appeal process.

**Formal Appeal**

If a displacee indicates a desire to submit an appeal, they must put it in writing. The Appeal Form (see Online Forms, RAAP37), provides a format for this, but it is also possible to submit a signed letter from the displacee or their representative. This appeal and any supporting documentation must be forwarded to the Relocation Supervisor and the Reviewer immediately. A note should be added to the remarks section of LRS as well. The appeal will be reviewed and a written response will be given. It is a good idea to keep in communication with the Reviewer so that the issue can be resolved as quickly and satisfactorily as possible.

The Right of Way Agent shall advise the displacee of the following:

1. An appeal must be submitted in writing and in any format the displacee chooses. However, the displacee is encouraged to use the INDOT Appeal Form (RAAP 37)

2. The time limit to file an appeal is **60 days** from the date the displaced person receives written notification of the determination by the State, the basis for its determination, and the procedures for appealing that determination

3. The appeal may be given to the Right of Way Agent assigned to relocation or mailed to the Acquisitions Section Manager at INDOT Central Office. The Agent will provide the displacee with that name and address

4. Upon receipt of the appeal, the Acquisitions Section Manager will review the information submitted by the displacee and all other pertinent information needed to ensure a fair and full review of the appeal. The Acquisitions Section Manager will usually attempt to resolve the problem through an informal discussion with the displacee

5. If the Acquisitions Section Manager is unable to resolve the problem, the appeal together with all pertinent justification, materials, and other information needed to ensure a fair and impartial review will be forwarded to the INDOT Commissioner who will appoint an independent reviewer

6. The displacee will be given a full opportunity to be heard throughout the appeal process

7. The displacee has a right to review relocation files and to inspect and copy all materials pertinent to his or her appeal except for materials classified as confidential by the State

8. The displacee has a right to be represented by legal counsel or other representative in connection with the appeal, but solely at the expense of the displacee
9. Promptly after receipt of all information from the displacee in support of the appeal, the appointed independent reviewer will make a written determination of the appeal including an explanation of the basis on which that decision was made. "Prompt" means not more than 60 days and preferably in 30-45 days maximum.

10. In addition to the written response; the independent reviewer will provide a written transcript detailing the issue, timeline, evidence considered, each parties arguments, rationale for final decision, and relevant cites (law/policy) which may have been utilized.

11. If the full relief requested by the displacee is not granted, the independent reviewer will advise the displacee of their right to seek judicial review through the courts.

(Notice of) Intent to Acquire (RAAP 4A)

If there is a reason to have the property vacated before the initiation of negotiations, the State may issue a Notice of Intent to Acquire. This notice may be issued to owners and tenants when the acquiring agency desires to establish eligibility for relocation benefits prior to the initiation of negotiations for the parcel. It will contain the location where additional information may be obtained.

When the notice of intent to acquire is furnished to a landlord, it must also be furnished promptly to the tenant. If it is furnished to a tenant, the owner must be simultaneously notified of such action. The Notice of Intent to Acquire will be furnished by certified mail if the Agent cannot deliver it.

When a Notice of Intent to Acquire is issued and the person moves after that notice but before delivery of the initial written purchase offer, the "Initiation of Negotiations" will be the date the person moves from the property.

This notice shall only be issued in special circumstances. Extreme care and coordination must be exercised within INDOT to assure that another person does not subsequently occupy the property. If reasonable assurance of this is not foreseen before this notice is proposed to be given, the acquiring agency may consider not giving such notice and instead awaiting until negotiations begin for the parcel.
MOVING ENTITLEMENTS

Moves caused by public projects are usually involuntary; they were imposed by a Government agency. It may not be related to family needs, nor is it a signal of the success of a business. It is often a very stressful and emotional experience. Fear, helplessness, hostility, and anger are some of the feelings that may surface as the result of such an involuntary move. These negative reactions can be more intense when the displaced persons are more vulnerable or dependent upon their neighborhood ties or current business location. This is more likely to be true when the displaced persons are elderly or have disabilities. Persons with fewer replacement location options may be particularly resentful of an involuntary relocation. These conditions require Right of Way Agents to be more sensitive and patient. Advisory services provided by the Agent can help to alleviate some of the anxiety caused by the displacement.

MOVING POLICY AND REQUIREMENTS

All displacees can choose to move themselves, use a commercial mover, or do a combination. Entitlements can be paid through four options: Fixed Payment, Actual Cost, Professional Mover, or a Combination. It is helpful to know what the displacee(s) plan to do at the time of the Appraisal / Inventory Meeting so that the amount that may be reimbursed upon completion of the move can be determined as soon as possible. Also, knowing ahead of time will help the Right of Way Agent organize the inventory presentation according to the plan.

All move payment determinations in excess of $4,000.00 must be pre-approved by INDOT Central Office. This rule applies to INDOT and Local Public Agency projects. This can be accomplished by submitting a Right of Way Agent Report (RAAP8) detailing the determination along with all the supporting documentation and the inventory presentation. For moves under $4,000.00, agents that have surpassed the probationary period of their prequalification do not need to obtain pre-approval. Agents that are still in the probationary period of their prequalification should have all move determinations pre-approved, regardless of the determination amount.

Move payments are intended to be disbursed after the area of acquisition has been verified by the Right of Way Agent to be completely clear of all personal property, trash, unwanted items and hazardous materials. It should be left in “broom-clean” condition. If a hardship exists, it is possible to obtain a portion of the move payment before the move is complete. This type of payment will need pre-approval based upon written justification and satisfactory documentation to guarantee that the move will be completed and that a replacement location has been secured by a signed lease or purchase agreement. Before discussing a hardship payment to a displacee, the Agent should consult with the Reviewer for further instructions.
ELIGIBLE MOVING EXPENSES

Generally Eligible Moving Expenses – Residential/Business/PPMO

1. Transportation of the displaced person and personal property to the replacement site up to a distance of 50 miles. Transportation costs beyond 50 miles are not eligible unless the State determines that relocation beyond 50 miles is justified.

2. Packing, crating, unpacking, and uncrating of the personal property, or, if an actual cost self-move, rental vehicles or equipment such as trucks, pads, and dollies plus compensation paid to persons to help conduct the move.

3. Disconnecting, dismantling, removing, reassembling, and reinstalling relocated appliances, machinery and other personal property.

4. Insurance premiums for the replacement value of the personal property in connection with the move and approved storage.

5. The replacement value of property lost, stolen, or damaged during the move when insurance covering such loss, theft, or damage was not reasonably obtainable and the loss, theft, or damage was not the fault of or result of negligence by the displacee or the displacee’s agent or employee.

6. Other moving related expenses that are determined by the State to be reasonable and necessary and that are not listed as ineligible. These may include special services such as an ambulance to transfer persons who have a disability that requires it.

7. The reasonable and customary cost of preparing a move bid, paid to the mover.

8. Storage of displaced personal property for a period not to exceed 12 months when approved in advance by the State unless the State determines that a longer period is necessary. Costs for storage on the displacement site or other real property owned or leased by the displacee is not reimbursable. This is rarely used – consult with the Reviewer before discussing this option with a displacee.
### Eligible - Residential Specifically

1. Utility transfer charges, telephone and cable TV  
   *(see exception in Residential Scheduled Move)*

### Eligible - Business/Farms/Non-Profits Specifically

1. Any license, permits, and/or certification required of the displaced person at the replacement location, limited to the remaining life of the existing license, permits and/or certification.

2. Professional services necessary for:  
   a. Planning the move of the personal property,  
   b. Moving the personal property, and  
   c. Re-lettering signs and replacing stationery on hand at the time of displacement that is made obsolete as a result of the move.

3. When disconnecting, dismantling, removing, reassembling, and reinstalling relocated machinery, equipment, other personal property, and substitute personal property, this includes connection to utilities available nearby. It also includes modifications to the personal property necessary to adapt it to the replacement structure, to the replacement site, or to the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property.  
   *(Expenses for providing utilities from the Right of Way to the replacement building or improvements are not eligible for reimbursement. However, these costs may be reimbursable as reestablishment costs.)*

4. Searching for a replacement location. A displaced business or farm operation is entitled to reimbursement for actual expenses, not to exceed $2,500.00, as the agency determines reasonable, which are incurred in searching for a replacement location.
INELIGIBLE MOVING EXPENSES

Generally Ineligible Moving Expenses – Residential/Business/PPMO

1. Cost of moving structures, improvements, or other real property in which the displaced person reserved ownership
2. Improvements to real property at the replacement site except modifications required to accommodate relocated personal property
3. Interest on loans to cover moving expenses
4. Loss of goodwill, profits, or trained employees
5. Additional operating expenses because of operating at a new location
6. Personal injury
7. Cost of preparing the claim for moving and related expenses
8. Payment for search costs in connection with locating a replacement dwelling
9. Costs for storage of personal property on real property owned or leased by the displacee
10. The cost of installing a well or a septic system

<table>
<thead>
<tr>
<th>Ineligible for Residents Specifically</th>
<th>Ineligible for Landlords Specifically</th>
<th>Ineligible for Business/Farms/Non-Profits Specifically</th>
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<tbody>
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<td></td>
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<td>2. Extension of utilities for new construction</td>
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MULTIPLE OCCUPANTS

Co-located displacees may decide to move to separate locations. If a separate move is voluntary, the total reimbursement should not be more than would have been incurred had a single move occurred. All arrangements for payments when there is more than one displacee should be documented in the remarks section in LRS, and in a Right of Way Agent’s Report (RAAP8) to be signed by all non-dependent adult occupants.

MOVE PAYMENT DETERMINATION METHODS

Many of the move determination methods available can be used to prepare a determination for any displacee. Some are intended for only a certain type of displacee. Each method description will include information in *italics* below the heading about when it can be used. Descriptions are in alphabetical order following the numbered list below:

1. 100% of the Low Bid for Self-Move
2. Actual Cost
3. Agent’s Estimate
4. Combination Move
5. Direct Loss / Substitute Personal Property (DLPP / SPP)
6. High Bulk / Low Value (HBLV)
7. Payment-in-Lieu (PIL)
8. PPMO Brochure
9. Professional Mover
10. Residential Scheduled Move
11. Searching

**100% OF THE LOW BID FOR SELF-MOVE**

*This option may be used to prepare a Self-Move payment determination for businesses/non-profits, and PPMOs*

Non-residential displacees have the option of using the approved professional move payment amount to hire a licensed and bonded mover, or they can take 100% of the approved move amount to move themselves. A large percentage of non-residential displacees will opt for 100% of the Low Bid for a Self-Move payment. In this situation, the voucher packet should be prepared using the Business Self Move or PPMO Move page from the *Relocation Assembly Manual.*
ACTUAL COST

This option may be used to prepare move payment determinations for any displacee.

Actual Cost can reimburse for professional services, or reimburse for equipment and labor on a self-move. In cases where atypical items such as ham radio equipment, computers, above ground swimming pools, satellite dish antennas, or other such residential items must be moved from a residential property, the displacee may choose an actual cost reimbursement to engage a mover to move the atypical items, or may choose to perform an actual cost self-move of the atypical items.

Actual cost reimbursement, as the name implies, is a payment for the actual direct expenses incurred by the resident in accomplishing the move. Reimbursement for paid receipts from costs incurred, and/or the assumed hourly labor rate of $15.00 will be tabulated on the Labor Hours and Expenses Form (see Online Forms, RAAP28), based on a determination that it is actual, reasonable, and necessary. The Relocation Assembly Manual includes a page for Residential and Business Actual Cost Moves. This will provide instructions and requirements for obtaining payment or reimbursement for these expenses.

It will be required to show evidence that the costs incurred are actual, reasonable and necessary. Receipts or invoices, along with before and after photos must be used to show that the work was actually done. Bids, estimates, or a comparison with other similar actual cost moves will be required to show that the cost is reasonable. Demonstration of the necessity of the cost in the form of a Right of Way Agent Report (RAAP8) explaining the situation, photos, or a statement from a professional will be required as well. If the reimbursement will exceed $4,000.00, the Right of Way Agent must obtain pre-approval based on 2 professional comparative bids.

AGENT’S ESTIMATE

This option may be used to prepare self-move payment determinations for any displacee.

The Agent’s Estimate (see Online Forms, RAAP29) is another option for preparing a move determination for a small or atypical self-move that is less than $4,000.00. The form includes fields for typical expenses. Many times, this can be completed with printed information from a moving truck rental company and a map showing mileage.

COMBINATION MOVE

This option is available to any displacee.

Any displacee may choose to move some of their personal property themselves and hire a professional to move the remainder for them. This is considered a Combination Move. The determination techniques described for Self-Moves, Actual Cost and Professional Movers still apply.
It is critical to keep records of what will be moved by the displacee(s) and what will be moved for them. This should be clearly communicated (in writing) both to the displacee(s) and to the movers so that a) nothing is left out, and b) nothing is counted and paid for twice. This may be a good situation in which to create two separate inventory presentations or a chart that itemizes what each party is responsible for moving. The Right of Way Agent should make it clear that all items are to be removed from the area of acquisition – personal property and trash, unwanted items and hazardous materials. The Combination Move plan should include how all these items will be taken care of.

**DIRECT LOSS / SUBSTITUTE PERSONAL PROPERTY (DLPP / SPP)**

*This option may be used to prepare a move payment determination for business/non-profits only.*

The DLPP/SPP payment allows the business to be paid an amount up to the cost of moving items that are not moved. It is really a substitute payment for personal property that is not moved but is disposed of by sale or trade-in. It is allowed when a displaced business is entitled to relocate the item but elects not to do so.

The direct loss/substitute option is particularly beneficial to businesses with outmoded or obsolete equipment or materials that are bulky, heavy, or otherwise expensive to move that may have relatively low or even negative value. This benefit provides the business operator with an opportunity to upgrade and modernize the operation with equipment that has higher productivity or a longer useful life instead of merely moving the less useful items to the replacement location. A business operator may also decide to sell certain items without replacement if the items are no longer needed.
The DLPP/SPP payment may only be made after a bonafide effort has been made by the displaced business to sell the item involved. The State may determine in advance that a sale is not necessary if there is obviously no market for the item. The direct loss formula is as follows:

\[
\text{Reasonable cost of attempting to sell the property} + \text{Lesser of Options 1, 2, or 3}
\]

Actual Direct Loss of Personal Property

Or

Actual Substitute Personal Property amount

**Options:**

1. The cost to move the item
2. If the item is not replaced, the Fair Market Value for continued use less the proceeds from the sale
3. If the item is replaced, the Replacement Cost less the proceeds from the sale/trade-in value
EXEMPLARY 1

The owner will replace an obsolete sheet metal press with a new sheet metal press at the replacement site.

**CONDITIONS:**

- Business to be re-established, and item to be replaced
- Expense of Sale: $50.00

**COMPUTATION:**

Find the lesser of:

<table>
<thead>
<tr>
<th>Replacement Cost</th>
<th>$2,800.00</th>
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</thead>
<tbody>
<tr>
<td>Proceeds of Sale</td>
<td>-$850.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,950.00</td>
</tr>
</tbody>
</table>

OR

| Estimated Cost to Move | $1,000.00 |

The Estimated Cost to Move is the lesser:

<table>
<thead>
<tr>
<th>Expense of Sale</th>
<th>$50.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Cost to Move</td>
<td>+ $1,000.00</td>
</tr>
<tr>
<td><strong>Substitute Personal Property Payment</strong></td>
<td>$1,050.00</td>
</tr>
</tbody>
</table>
EXAMPLE 2

The owner will not replace the obsolete sheet metal press with a new metal press at the replacement site.

CONDITIONS: Business to be reestablished - item not replaced.
Expense of Sale $50.00

COMPUTATION:

Find the lesser of

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Market Value for continued use</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Proceeds of Sale</td>
<td>- $550.00</td>
</tr>
<tr>
<td></td>
<td>$950.00</td>
</tr>
<tr>
<td>OR</td>
<td></td>
</tr>
<tr>
<td>Estimated Cost to Move</td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

The Fair Market Value minus Proceeds of Sale is the lesser:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense of Sale</td>
<td>$50.00</td>
</tr>
<tr>
<td>FMV minus Proceeds of sale</td>
<td>+ $950.00</td>
</tr>
<tr>
<td>Direct Loss of Personal Property Payment</td>
<td>$1,000.00</td>
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</table>

EXAMPLE 2 may be a good illustration of where the State could determine in advance that a sale was not necessary if there were obviously no market for the obsolete sheet metal press. In such case, the press could be abandoned, and the owner could claim the lesser of the FMV for continued use at the displacement site ($1,500.00) OR the Estimated Cost to Move it to the replacement site ($1,000.00).

HIGH BULK / LOW VALUE (HBLV)

This option may be used to prepare a move determination for business/non-profits and PPMOs.

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 displacing Agency, allowable moving cost payment shall not exceed the lesser of:

1. The amount which would be received if the property were sold at the site.

2. The replacement cost of a comparable quality and 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 as determined by the Agency.

Before opting for this method, the Right of Way Agent must confirm, with the assistance of the Reviewer and Relocation Supervisor, that the personal property in question may be abandoned.

**PAYMENT-IN-LIEU (PIL)**

*This option may only be used to determine a move payment for business/farms/non-profits. It may NOT be used for Landlords.*

The Payment-in-Lieu (Fixed Payment in Lieu or PIL) is intended to take the place of claiming all business relocation entitlements separately. This option is not beneficial in all situations, but can be the best option after a thorough financial analysis. The Right of Way Agent shall fully explore the possibility of a payment-in-lieu (PIL) of actual Moving and Related Expenses, Searching Expenses and Business Reestablishment Expenses for any relocated or discontinued business or farm. Additional explanation shall be given about Payment-In-Lieu when it will be more advantageous to the displacee.

A Payment-in-Lieu of moving, searching, and reestablishment expenses equals the average annual net earnings for discontinued or relocated businesses which lose patronage due to their move. This payment is based on the average annual net income of the two years preceding displacement. It is limited to a minimum of $1,000.00 and a maximum of $40,000.00.

**Eligibility Requirements (RAAP 35)**

To receive a Payment-in-Lieu, the State must determine that:

1. The business owns or rents personal property which must be moved in connection with such displacement and for which an expense would be incurred in such move, and the business vacates or relocates from the displacement site

2. The business cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings). A business is assumed to meet this test unless the State determines that it will not suffer a substantial loss of its existing patronage

3. The business is not part of a commercial enterprise having more than three other entities which are not being acquired by the State, and which are under the same ownership and engaged in the same or similar type business activity

4. The business is not operated at the displacement dwelling solely for the purpose of renting the 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

7. Landlords / Owners of rental properties are not eligible for the Payment-In-Lieu option

**Determining the Number of Businesses**

1. When determining whether two or more displaced legal entities constitute a single business that is entitled to only one fixed payment, all pertinent factors shall be considered, including the extent to which
   a. The same premises and equipment are shared
   b. Substantially identical or interrelated business functions are carried out and business and financial affairs are co-mingled
   c. The entities are held out to the public and to those customarily dealing with them as one business
   d. The same person or closely related persons own, control, or manage the affairs of the entities

2. A business that does not contribute materially to the income of the owner or operator shall not be considered as another establishment for purposes of determining eligibility for the Payment-in-Lieu

**Payment Determination**

The term "average net earnings" means one-half of any net earnings of the business before Federal, State and local income taxes during the two taxable years immediately preceding the taxable year in which the business is relocated.

If the two taxable years immediately preceding displacement are not representative, average annual net earnings may be based upon a different time period when the State determines it to be more equitable.

1. **In Business Less Than Two Years.** If the business or farm was not in operation for the full two years prior to displacement, net earnings shall be based on the actual period of operation at the displacement site, projected to an annual rate.

2. **Net Earnings** include any compensation obtained from the business or farm operation by its owner, the owner’s spouse, and dependents. In the case of an owner of an incorporated business, earnings shall include any compensation paid to the spouse or dependents of the owner of a majority interest in the corporation. For purposes of determining majority ownership, stock held by a person, their spouse, and their dependent children shall be treated as one unit.
3. **A Taxable Year** is defined as any 12-month period used by the business in filing income tax returns.

4. **Owner Must Provide Information** (RAAP 33 & 35)

   The owner of a business must provide information to support net earnings of the business in order to receive a Payment-in-Lieu. City, county, State, or Federal tax returns for the tax years in question are the best source of this information and would be accepted as evidence of earnings. Any commonly acceptable method could be used, such as certified financial statements or an affidavit from the owner stating net earnings providing it grants the State the right to review the records and accounts of the business. The owner's statement alone would not be sufficient.

**Payment-in-Lieu to Farm Operators**

A displaced farm operator is eligible for payments as outlined previously, except for the Payment-in-Lieu. For the owner of a displaced farm operation to be entitled to a Payment-in-Lieu, the State must determine that:

1. In the case of a total acquisition, the farm operator has discontinued his entire farm operation at the present location or has relocated the entire farm operation.

2. In the case of a partial acquisition, the operator will be considered to have been displaced from a farm operation if:
   
   a. The acquisition of part of the land caused the operator to be displaced from the farm operation on the remaining land; or
   
   b. The partial acquisition caused such a substantial change in the nature of the farm operation that it constitutes a displacement.

The other eligibility requirements of the Payment-in-Lieu also apply to farms.

**Payment-in-Lieu to Nonprofit Organizations**

The term "existing patronage" as used for nonprofit organizations includes the persons, membership, community or clientele serviced or affected by the activities of the nonprofit organization. Such loss is assumed to occur if the organization moves unless the State demonstrates otherwise.

Any payment must be supported with financial statements for the two 12-month periods prior to displacement. The amount used for the payment determination is the average of two years annual gross revenues, less administrative expenses, i.e. their "operating income."

For non-profit organizations, **gross revenues** may include membership fees, class fees, cash donations, tithes, and receipts from sales or other forms of fund collection that enables the nonprofit organization to operate. **Administrative expenses** are those for administrative support
such as rent, utilities, salaries, advertising and other like items as well as fund raising expenses. Operating expenses for carrying out the purposes of the organization are not included in administrative expenses. The monetary receipts and expense amounts may be verified with certified financial statements or financial documents required by public agencies.

**PROFESSIONAL MOVER**

*This option may be used to prepare move payment determinations for any displacee. There are some differences in how this option can be applied – see the end of this section for details.*

Any displacee may choose to use a licensed and bonded professional mover. To avoid confusion, the Right of Way Agent must make it clearly understood that while the professional movers will move personal property, the displacee(s) are ultimately responsible for ensuring that everything is moved, including trash, unwanted items, and hazardous materials. Some professional movers have limitations for what they can transport. Be sure to identify these issues early in the process so that a satisfactory solution can be found.

Additionally, services that may not be provided by the movers, such as junk hauling, special equipment installation or piano tuning can be paid separately. Businesses and Non-Profits have a list of expenses that they can claim separately (*see Online Forms, Business Eligible Moving, RAAP47*). Once these costs are pre-approved by INDOT Central Office, they can be claimed separately through Actual Cost or Agent’s Estimate, based on the situation.

If a move is small, it is wise to consider whether there is enough personal property to warrant paying two bid fees (and requiring time and travel from a professional mover that is expecting a larger job) – perhaps another move determination method such as the PPMO Brochure or an Agent’s Estimate would be more cost-effective.

**Move Determination**

In order to establish the maximum payment that will be approved for a professional mover, the Right of Way Agent will need to obtain comparative bids. The Agent will arrange for two licensed and bonded professional moving companies to prepare bids based on the inventory presentation, the Bid Specifications form (*see Online Forms, RAAP27*), and a walk-through of the property. The Agent is to accompany the mover on any walk-through appointments in order to ensure that the information given to the movers is accurate and consistent. The displacee(s) may choose any licensed and bonded mover to take care of the move – they are not required to use the movers that helped set the payment amount.

Detailed and itemized bids will be required. The Agent must compare the bids to make sure that both movers show the same scope of work. For instance, if one bid mentions special services to install a refrigerator with an icemaker, the second bid should include the installation too. If the bid amounts are drastically different, the Agent should investigate carefully to be sure that both bids are covering the same amount of work and expectations. Once it has been determined that both bids are covering the same scope of work, the lowest bid amount will represent the...
maximum payment that will be made. This determination should be documented in a Right of Way Agent’s Report (RAAP8).

Below is an example showing a portion of a move determination report:

These amounts are based on the attached commercial move bids:

LOW BID: Moving Company Name A $2,445.00

HIGH BID: Moving Company Name B $3,000.00

APPROVED COMMERCIAL MOVE DETERMINATION: $2,445.00

Bid Fees (Relocation Services)

Many times, a moving company will request a fee for preparing a move bid. Bid fees can be paid with a Relocation Services voucher only to companies that are not selected to complete the move. The bid fee amount should be set before the work is initiated. When negotiating with a moving company regarding the preparation of the bid and payment of the bid fee, the Right of Way Agent should make it clear that fees will not be paid for bids that do not meet the requirements as described in the Bid Specifications form (see Online Forms, RAAP27), or fail to include sufficient detail and itemization. The Agent should also explain that if the mover is selected by the displacee to complete the move, the contract will be between the displacee and the mover; the acquiring agency is not responsible for final payment. Lastly, the Agent should verify whether or not a W-9 (see Online Forms, Vendor Information Form) is on file for the moving company and obtain one if necessary.

Bid fees can vary, but the current limits on these fees are as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Move</td>
<td>$150.00</td>
</tr>
<tr>
<td>Residential/PPMO</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

If a moving company requests a bid fee that is higher than these set limits, the Right of Way Agent can forward any supporting information to the Reviewer for consideration. A higher bid fee would only be approved in unusual circumstances, however.

Relocation Services payments are limited to payments up to $499.00. Any fee over that amount must be paid through a contract.

The bid fee should be paid as soon as possible after the bid is received. It can be paid before the displacee has chosen their mover – it can always be deducted from the payment for the move itself. To receive payment, the moving company must submit an invoice with code, parcel, displacee name, and name the service they provided within 14 days of submitting the bid itself. This invoice will be submitted along with all other documentation required in the Relocation Assembly Manual page for Relocation Services.
Residential Move Specifics

The Right of Way Agent must explain that one-time utility transfer fees are not intended to be included in this payment. These can be claimed separately.

When the move is complete and the area of acquisition is verified by a Right of Way Agent to be clear for Relocation purposes, the move payment can be released. As soon as the moving company submits their invoice, the Right of Way Agent must follow the instructions and requirements on the Residential Professional Mover page of the Relocation Assembly Manual and prepare a voucher. If the final invoice is less than the maximum payment determination, the payment will be equal to the invoiced amount. If the final invoice exceeds the maximum payment determination, the displacee(s) will be responsible for the remaining balance.

The voucher must be addressed to the displacee(s) first and to the moving company as a co-payee. Because the contract is between the displacee and the moving company, the displacee is responsible for co-signing the resulting check and sending it to the moving company as payment. While it is not required, many Right of Way Agents will facilitate this process by providing a stamped, addressed envelope, and a copy of the invoice with written instructions.

Business/PPMO Move Specifics

Most businesses and non-profits will be expected to pay the professional mover directly and then claim a reimbursement rather than needing a check with the moving company as a co-payee. If a hardship can be justified, a portion of the move payment may be made available ahead of time based on documentation that the replacement location has been secured by a signed lease or purchase agreement.

When choosing moving companies to prepare the move bids, it can be helpful to choose movers that have experience with the type of personal property they will be moving – they will be more able to anticipate issues and variables that could add extra expenses to the move.

It is important to prepare a detailed inventory presentation and to take an active role in making sure the scope of work is clear for all parties involved. It is always a good idea to accompany the representative from the moving company on their site visit in order to answer questions, work out personal vs. real property issues, and to help devise a logistical plan for the move.
A chart like the one shown below could help with managing a complex move:

![Chart](chart.png)

### PPMO BROCHURE

*This option may be used to prepare self-move payment determinations for any displacee.*

The PPMO Brochure (see Online Forms, *PPMO Brochure*) was originally prepared for Personal Property Only moves, but has since become a useful tool for small moves or atypical items for residents and businesses/non-profits too. It has set rates for common items found in Personal Property Only Moves:

1. **Storage Units**: This works well if the move is actually from a storage unit that fits into the prescribed sizes. However, this can also be used as a starting point for establishing a payment for storage units in different sizes, or to estimate the volume of personal property based on what size storage unit would be required to hold it.

2. **Vehicles**: This option is intended for stored vehicles, not the family car that will need to be driven to the new location in order to transport the occupants as well.

3. **Appliances**: This is commonly used for landlords who may only need to move the washer, dryer, and refrigerator in their rental unit because the remainder of the personal property in the unit belongs to the tenant.

The brochure includes a brief explanation of the entitlements that may be available to Personal Property Move Only (*PPMO*) displacees. This brochure can be included in the documents provided at the Appraisal / Inventory Meeting and/or the Initial Meeting for a PPMO.

### RESIDENTIAL SCHEDULED MOVE

*This option may be used to prepare self-move payment determinations for residential displacees.*

This is the most common method for determining a self-move payment amount. In order to determine a Scheduled Move payment, the Right of Way Agent will use the inventory presentation to measure the amount of personal property that will need to be moved. When
discussing this move option, the Right of Way Agent must explain that this payment is inclusive of all the eligible moving expenses listed. Utility transfer fees, license fees and miscellaneous expenses cannot be claimed separately, as they are already built into this payment.

The Agent will look up the move payment amount on the following schedule:

www.fhwa.dot.gov/real_estate/practitioners/uniform_act/policy_and_guidance/fixsch96.cfm

Room Count

The measuring unit used for this schedule is in terms of “rooms,” but it is important to note that some rooms may contain more than the average. For instance, a 3-car garage that is stacked to the ceiling will constitute more than one “room” of personal property. This schedule gives payment information for situations where the displacee has very little personal property, or does not own the furniture (sleeping room, furnished dwelling, etc.). The schedule also notes a payment for (a) A person that has minimal possessions and occupies a dormitory style room, or (b) A person whose residential move is performed by an agency at no cost to the person.

Bathrooms, hallways, closets, vestibules, and powder rooms cannot be included in the counted rooms. Attics, basements, garages, and sheds are a normal part of a residential move and can only be counted as additional rooms of furniture if substantial amounts of residential-related personal property are documented to be present.

Here is an example of a move determination calculation for a displacee that owns the furniture:

<table>
<thead>
<tr>
<th>Room Type</th>
<th># of Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Room</td>
<td>1 (not incl piano)</td>
</tr>
<tr>
<td>Office</td>
<td>1</td>
</tr>
<tr>
<td>Bedroom 1</td>
<td>1.5</td>
</tr>
<tr>
<td>Bedroom 2</td>
<td>1</td>
</tr>
<tr>
<td>Bedroom 3</td>
<td>1</td>
</tr>
<tr>
<td>Bedroom 4</td>
<td>1</td>
</tr>
<tr>
<td>Dining Room</td>
<td>1</td>
</tr>
<tr>
<td>Garage</td>
<td>5</td>
</tr>
<tr>
<td>Kitchen</td>
<td>1.5</td>
</tr>
<tr>
<td>Laundry</td>
<td>0.5</td>
</tr>
<tr>
<td>Living Room</td>
<td>1</td>
</tr>
<tr>
<td>Outdoors</td>
<td>2 (not incl pool, tramp., swings)</td>
</tr>
<tr>
<td>Storage</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Rooms</strong></td>
<td><strong>19.5</strong></td>
</tr>
</tbody>
</table>

Initial 8 rooms       1900
11.5 rooms @ $200.00 each 2300

$4,200.00

In the example above, the displacee will take a Combination Move and have specialized professionals move the piano, above ground pool, trampoline, and swing set.
Special Conditions

On occasion, a displaced person may have substantial property stored outside or used for a hobby, such as a woodworking shop. With pre-approval, these items can be counted as a room(s) and paid under the schedule for residential moves if the cost of moving them would be approximately equivalent to moving an additional room(s) of furniture.

In cases where there are atypical items such as ham radio equipment, computers, above ground swimming pool, satellite dish antenna, or other such residential items to be moved from a residential property, the room count may be increased for a displacee using the schedule to reflect the reasonable cost to the displacee of moving the items. The amount of the increase in room count for moving atypical items must be documented as reasonable. This can be done with estimates from movers or can be based on previous Actual Cost moves of similar items. The displaced resident may also choose the Actual Cost move option for either the atypical items alone or for the entire move.

SEARCHING

This option may only be used to prepare move payment determinations for business/farms/non-profits, including landlords.

The owner of a displaced business or farm operation may be reimbursed for actual reasonable expenses not to exceed $2,500.00 in searching for a replacement site. Such expenses may include:

1. Transportation expenses
2. Meals and lodging away from home
3. Time spent searching at an assumed $15.00/hour
4. Fees paid to real estate agents or real estate brokers to locate a replacement site exclusive of any fees or commissions related to the purchase of such site

All expenses claimed except value of time actually spent and mileage driven while searching must be supported by receipted bills. The mileage rate reimbursed under the searching expense entitlement for businesses will be the IRS mileage rate. The current mileage reimbursement rate can be obtained by going to www.IRS.gov and searching “mileage”. Mileage will be reimbursed at the rate applicable for the dates the search occurred.
The standard reimbursable rate is $15.00 per hour. If the searcher’s hourly rate is more than $15.00, the higher rate may be submitted for pre-approval; thorough documentation must be provided (current check stubs, taxes forms, etc.) to support the increase.

All expenses can be tabulated on the Searching Expenses Report (see Online Forms, RAAP31). Further instructions and requirements can be found on the Business Searching Expense Reimbursement page in the Relocation Assembly Manual that will be used as a cover sheet for the voucher packet.
RELOCATION PROCEDURES – REPLACEMENT HOUSING ENTITLEMENTS

REPLACEMENT HOUSING ENTITLEMENTS

REPLACEMENT HOUSING STANDARDS

A basic requirement of the relocation program is that the replacement housing made available to displaced persons meets certain qualitative standards. These standards are embodied in the term’s "Decent, Safe and Sanitary housing" and "Comparable Replacement Housing."

There are three general objectives of the standards:

- To assure a safe and healthy living environment
- To satisfy basic housing and related living needs
- To provide the opportunity to occupy a dwelling which is functionally equivalent to the displacement dwelling

The first objective is fairly clear. It relates to compliance with standards that are generally found in local housing and occupancy codes. The significant content of these codes will be discussed under the heading, "Decent, Safe and Sanitary housing."

The second objective recognizes that housing choices are never made in isolation from other basic living needs such as employment and shopping. Also, the housing needs of families are frequently based on age, family size, and disabilities. In implementing the relocation program, we accept an obligation to refer displaced persons to housing that will accommodate the housing needs of the family and is reasonably close to their employment, public and commercial facilities, and utilities. This raises questions. What health or disability limitations are important to consider in relocation? Are there family size criteria for determining housing needs? What is "reasonable" proximity to employment and public and commercial facilities? These important questions will be considered in this chapter.

The third objective, functional equivalency, is an acknowledgment that fair treatment of displaced persons requires that we offer a dwelling which is at least reasonably similar to the displacement dwelling with particular attention to its principal features. While this may seem to be a routine task, there are many practical problems. What is reasonably similar in a housing market in which dwellings are dissimilar in some major respect? How do we deal with the cumulative effect of the housing standards? Strict adherence to each one may result in betterment in the overall replacement or may be in excess of the needs or desires of the family. What is the extent of States’ responsibilities in such cases?

GENERAL ELIGIBILITY GUIDELINES

Eligibility for a Replacement Housing Payment (RHP), in the form of a Price Differential Payment, Rental Assistance Payment (RAP), or Downpayment Assistance Payment (DAP) is...
based on the length of time the displaced person occupied the displacement property immediately prior to the initiation of negotiations for the parcel and whether the displacement property was owned or rented. Eligibility for a Last Resort Housing (LRH) payment is based on demonstrated need, as further explained later in this chapter (pages 379 and 384) and the Special Topics in Housing Entitlements chapter.

DISBURSEMENT REQUIREMENTS

Prior to disbursement of any of these payments, the Right of Way Agent must document that the replacement home has been secured (purchased or rented) and occupied, and has passed a Decent, Safe and Sanitary (DS&S) inspection (see Online Forms, RAAP18) within 12 months of the displacement date, as set by the criteria in the Entitlement Letter and 90-Day Notice (see Online Forms, RAAP16, 17, 17a). Replacement homes purchased on contract have specific documentation requirements; see Special Topics in Housing Entitlements.

Advanced Disbursement

On the occasion that a displacee needs to have the funds in hand before the aforementioned requirements have been fully met, the Right of Way Agent must work with the Reviewer to obtain pre-approval for an advanced payment. Additional requirements may be requested by the Reviewer, however, the following criteria must be met:

- Signed Purchase or Lease Agreement
- Agreement for Advanced RHP (see Online Forms, RAAP22 & 22a)
- Documentation of hardship or need

INSURANCE PROCEEDS

To the extent necessary to avoid duplicate compensation, the amount of any insurance proceeds received by a displaced person in connection with a loss to the displacement dwelling due to a disaster or catastrophic occurrence (fire, flood, etc.) shall be included in the displacement price of the displacement dwelling when computing the Price Differential.

RESIDENTIAL OWNER OCCUPANT

Persons that own and occupy a displacement dwelling for at least 90 days immediately prior to the initiation of negotiations may be eligible for a Replacement Housing Payment, which includes:

1. Price Differential Payment
2. Incidental Expenses Reimbursement
3. Mortgage Interest Differential Payment
This eligibility can be transferred to a **Rental Assistance Payment**, based on the current rental market and not to exceed the Price Differential Payment entitlement determination.

Persons that own and occupy a displacement dwelling for less than 90 days immediately prior to the initiation of negotiations may be eligible for a Rental Assistance Payment.

A residential owner-occupant **must rent or purchase and occupy** a Decent, Safe and Sanitary replacement dwelling within one year from the latter of the date that:

1. The displaced homeowner-occupant is paid for the displacement dwelling
2. In the case of condemnation, the date the required amount is deposited in the court
3. The move date

The above dates may be extended by the State if there exists good cause to do so, but the payment determination will generally not change.

**RESIDENTIAL TENANT OCCUPANT**

**Rental Assistance** are available to all residential displaced persons who have occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations.

A **Downpayment Assistance** is available to residential tenants who occupy the displacement dwelling. Residential owner-occupants are **not** eligible for this payment because they should be able to take a Price Differential Payment (PDP) as part of their Replacement Housing Payment (RHP).

Residential tenant-occupants **must rent or purchase and occupy** a Decent, Safe and Sanitary replacement dwelling within one year from the latter of the date that:

1. The displaced tenant-occupant moves from the displacement dwelling
2. The person is offered replacement housing, whichever is later

The above dates may be extended by the State if there exists good cause to do so, but the payment determination will generally not change.

**OWNER OR TENANT OF LESS THAN 90 DAYS**

A displaced person who has occupied a displacement dwelling for less than 90 days prior to the initiation of negotiations is **not** eligible for a Replacement Housing Payment under the Uniform Act. However, they may be eligible for a Replacement Housing Payment provided as a Last Resort Housing Payment, providing comparable DS&S replacement properties are **not** within their financial means and there is an increase in rent necessitated by the occupancy of a
comparable replacement property. Only Tenant Displacees will be given consideration of the Financial Means Test and 30% Rule.

IMPORTANT RHP TERMS

BREAKOUT/ CARVEOUTS

A residential breakout/carveout, with the use of the breakout form from the Appraisal, is required to determine the acquiring agency’s offer for the owner-occupied portion of the property when a dwelling:

1. Is located on lands larger than typical for residential purposes
2. Is a multi-family structure with one of the units occupied by the owner
3. Is a combination residential and business structure with one of the units occupied by the owner
4. Contains a Major Exterior Appurtenance
5. Contains items not typically found in the typical residential area market

Major Exterior Appurtenances

A basic concept of identifying a comparable replacement dwelling is to compare "apples to apples." Sometimes a displacement dwelling has a major exterior appurtenance such as a swimming pool or an outbuilding and no comparable replacement dwelling can be located which has a similar item. In order to compare "apples to apples", the Agent needs to compute the value of the displacement dwelling without the attribute. This is called a breakout/carveout. The value of the appurtenance is subtracted from the acquisition price of the subject dwelling. A Price Differential entitlement determination will be computed using a price breakout/carveout that excludes the value of the major appurtenance.

If the attribute is a truly major item, the contributory value should be specified in the appraisal report on the breakout sheet. Reviewing the appraisal or consulting with the appraiser or review appraiser can also establish unspecified values of major items. The value of the attribute should be fully documented in the parcel file.

BUILDABLE LOT VERSUS UNECONOMIC REMNANT ON REMAINDER

Buildable Lot

The State must have offered to purchase buildable lots that remain after acquisition of the proposed R/W before the offered amount for the buildable lot can be added to the acquisition
price when computing the Price Differential entitlement. If the State does not offer to purchase the buildable lot, then the value of the buildable lot cannot be used in computing the Price Differential entitlement.

To avoid unnecessary windfalls, the Right of Way Agent should check with the Project Supervisor if an offer to purchase the buildable lot has not been made. Also, attempts should be made to find comparable dwellings on lots compatible in size to the homesite being acquired.

**Example for Buildable Lot**

The State is widening a road and purchasing a dwelling that is situated on the front 1/2 acre of an approximately square, one-acre lot. The R/W purchase will include the house and the 1/2-acre nearest the existing road and leave the rear 1/2-acre as a remainder. The remaining 1/2-acre meets local codes for single-family dwelling construction and is considered to be a buildable lot.

The dwelling and the 1/2-acre on which it is located are valued at $90,000.00. The 1/2-acre remainder is valued at $10,000.00.

If the State offers $100,000.00 for the dwelling and the entire acre of land, then $100,000.00 will be used as the acquisition price in RHP computations, whether the relocatee accepts the full $100,000.00 for all the land or accepts $90,000.00 and retains the ½ acre buildable lot.

If the State offers $90,000.00 for the dwelling and the ½ acre which it is situated and makes no offer to buy the other ½ acre for an additional $10,000.00, then only $90,000.00 will be used in RHP computations.

**Uneconomic Remnant**

The amount the State offers for an uneconomic remnant is not added to the acquisition price for Price Differential computations unless the owner decides to sell the uneconomic remnant to the State.

**Example for an Uneconomic Remnant**

The State is widening a road and purchasing a dwelling that is situated on the front 3/4 acre of an approximately square, one-acre lot. The R/W purchase will include the house and the 3/4-acre nearest the existing road and leave the rear 1/4-acre as a remainder. The remaining 1/4-acre does not meet local codes for single-family dwelling construction. Therefore, it is considered to be an uneconomic remnant.
The dwelling and 3/4-acre on which it is located are valued at $95,000.00. The 1/4-acre remainder is valued at $5,000.00.

The State offers $95,000.00 for the dwelling and the 3/4-acre of land and offers $5,000.00 for the remaining uneconomic remnant. If the relocatee decides not to sell the uneconomic remnant to the State, $95,000.00 will be used as the acquisition price in RHP computations. If the relocatee decides to sell the uneconomic remnant to the State, $100,000.00 will be used as the acquisition price in RHP computations.

COMPARABLE REPLACEMENT HOUSING

In addition to being Decent, Safe and Sanitary, the criteria of comparability must be met. When analyzing available dwellings, the selected dwellings must be those most nearly comparable to the displacement property.

Note that the elements of Comparable Replacement Housing refer to the specific needs of the displaced person, i.e. financial means, access to employment, desirability as to access to public and commercial facilities, etc. This implies a prior determination of the displaced person’s needs and circumstances, which can only be secured by personal contact with each displaced household early in the process.

Pre-acquisition interviews will be conducted at which time information is secured which will be relevant to the search for comparable housing. It is important to exercise care and patience in researching the market for comparable housing. Excessive payments can easily occur by the hasty selection of replacement properties that are far superior to the properties being acquired. Conversely, problems can be prevented if the search is sufficient to find the "best" comparable rather than settling on a less than comparable dwelling.

A great deal of judgment is involved in applying the standards of comparability. The criteria sometimes become subjective in application and an attitude of reasonableness must prevail.

The following categories of comparability may provide some guidance:

1. Functionally equivalent including the number of rooms and living space

This does not mean that a replacement dwelling must meet a tape-measure comparison to the acquired property. The emphasis is on function. A comparable replacement dwelling is one that is "functionally similar" to the displacement dwelling. The replacement dwelling, when compared with the acquired dwelling, should perform the same function, provide the same utility, and possess like amenities. This requires that the principal features of the acquired dwelling be present in a comparable. Space should be available for comparable purposes as used in the acquired dwelling. For example, workshops in an over-sized garage instead of a basement and vice versa; ample kitchen cupboards could substitute for a pantry, and out-of-season storage could be provided.
either in an accessible attic or a basement area. Physical inspection of the interior as well as of the exterior of selected comparables will clarify for the Right of Way Agent as well as the displaced person, the actual functional equivalency of houses.

Generally, functional similarity is an objective standard reflecting the range of purposes for which the various features of a dwelling may physically be used. However, in determining whether a replacement dwelling is functionally similar to the displacement dwelling, the Right of Way Agent may consider reasonable trade-offs when the comparable under consideration is equal to or better than the displacement dwelling. For example, if the displacement dwelling contains a pantry and a dwelling is not available with a pantry, a replacement dwelling with ample kitchen cupboards may be an acceptable tradeoff. Insulated and heated space in a garage could be an adequate substitute for basement workshop space. A dining area might substitute for a separate dining room. Under some circumstances, attic space could substitute for basement storage space and vice versa. However, extra living space in a comparable without a garage would not offset a garage at the displacement dwelling since it would not serve a similar function.

Only in unusual circumstances may a comparable replacement dwelling contain fewer rooms or consequently less living space than the displacement dwelling. For example, a Decent, Safe and Sanitary replacement dwelling that fully meets the needs of the displacee may be found to be functionally similar (and therefore, comparable) to a larger but very run-down substandard displacement dwelling.

2. **Available to the displaced person**

The State ordinarily has no control over the availability of sale or rental housing. However, displaced persons should only be referred to housing that has recently been confirmed as being available. Likewise, in making payment determinations, only active listings should be utilized. This will require close contact with sources of housing market information and a willingness to research the market for currently available housing. If housing is in short supply, innovative measures may have to be taken to assure the availability of a comparable when an offer is made.

3. **Adequate to accommodate the displaced person(s)**

All relevant disabilities or special needs must be considered. If the displaced person has special limitations, particularly relating to health, mobility, or age, the replacement housing referrals should accommodate those limitations. For instance, an elderly displaced person with a serious heart condition may need a one-floor plan or a house with a bath and bedroom on the first floor. A displaced person that uses a wheelchair would need a unit with ramp access, ample hallways, and bathroom accessibility. Displaced persons should not be referred to housing that does not accommodate these special needs.
4. **Within Financial Means**

The Replacement Housing Payment program is designed to help bridge the financial gap when one exists between the cost of the displacement home and the cost of obtaining replacement housing. However, Replacement Housing Payments can only cover what is reasonable. When searching for comparable housing, it is important to keep in mind the financial situation of the displacee(s). The Right of Way Agent must consider questions such as “when the 42 months of Rental Assistance run out, will the displacee be able to afford the rent?” Comparable housing is ideally within a reasonable range that can be maintained by the displacee. Furthermore, if the displacement dwelling is subsidized, the Right of Way Agent should make an effort to search for comparable replacement subsidized housing.

5. **The Financial Means Test**

It is assumed that owners can afford replacement housing if they are not required to spend more per month, based on comparability, toward a mortgage payment than before acquisition. On the other hand if a tenant is considered “Low Income” using the HUD Annual Survey of Income Limits, one should not have to pay more than 30% of one’s gross income on rent and utilities. If replacement housing is not within the financial means of a displaced person, Replacement Housing of Last Resort may be necessary.

**Note:** The HUD Annual Survey of Income Limits can change periodically and must be checked prior to each project: [www.huduser.org/portal/datasets/ura](http://www.huduser.org/portal/datasets/ura)

6. **Access to employment**

This is a critical element in the choice of replacement housing and the needs of each displaced person will help determine specific distance limits. A displaced person who presently walks to work should only be offered comparable DS&S housing within walking distance or near a bus line reasonable accessible to the place of employment. Referrals should be made on the same basis. A displaced person that presently drives 20 miles to work may not be as restricted to a particular housing area. Reasonableness and good judgment are important. The objective should be to refer a displaced person to housing that does not endanger employment because of increased distance or travel time. The intent is not necessarily to keep the travel distance the same, but to be reasonable and practical. Each displaced person's needs and limitations regarding travel time and distance to the work site should be individually determined and understood early in the relocation process.

7. **Commercial and public facilities**

The desirability of potential replacement housing close to commercial and public facilities is a case-by-case judgment. It is important to determine for each displaced
family the institutions and facilities upon which there is a strong dependency. A family with children would be concerned with schools. An elderly retired couple without a car would consider it important to be near a grocery store. Housing choice is usually related to the location of institutions and facilities used in daily life. It is an obligation of the State to make housing available that is as desirable as the displacement dwelling with regard to those places that give essential support to daily living. This does not mean that the displaced person's personal desires as to particular schools or shopping areas have to be complied with, but a sincere attempt should be made to acknowledge the displaced person's preference. Personal tastes, desires, and dislikes will properly influence a person's choice of housing; however, the Right of Way Agent need not be limited by these personal desires. What the Agent must consider is the needs and availability

**DECENT SAFE AND SANITARY (RAAP18)**

Decent, safe, and sanitary (DS&S) refers exclusively to standards which affect the health and safety of the occupants. DS&S does not pertain to level of luxury, price, or location. Basically, a dwelling, which meets all local criteria for housing and occupancy codes, will meet Decent, Safe and Sanitary standards as they are defined in the relocation regulations. A distinction must be made at this point, however. Housing and occupancy standards or codes are not the same as building codes. Building codes define criteria for new construction, additions, and alterations. Occupancy or habitability codes apply to all buildings or dwellings in a community. If the occupancy codes changes to require smoke detectors for example, all dwellings would be required to be brought into compliance. Occupancy codes are narrower in scope than building codes since they are concerned only with those elements influencing health and safety as opposed to appearance, marketability and conformity to current building standards.

Most local housing and occupancy codes are adaptations of one of the national model codes promulgated by code setting organizations. A popular code is that issued by BOCA (Building Officials and Code Administrators International, Inc.).

**Minimum Standards**

Where there are no local housing and occupancy codes such as in rural areas or small towns, or where local occupancy codes are less stringent than the standards indicated as Decent, Safe and Sanitary (DS&S) in this manual, the DS&S standards indicated herein shall apply.

The DS&S standards are minimal and basic. However, it is not unusual to find housing on the market for sale or rent that does not comply with one or more of these standards. Often the deficiency is the result of long-term deferred maintenance. Many deficiencies are correctable for a modest cost, but others could require major reconstruction and may not be economically feasible. An example of the latter would be a cracked and failed foundation wall or a structurally unsound roof.
Decent, Safe, and Sanitary Inspections

Certain parts of a dwelling should be examined carefully for DS&S problems (see Online Forms, RAAP18). Included are:

1. **Porches, stoops, and exterior stairs**

   These parts are generally wood, of light construction and exposed to the weather. They deteriorate faster than the rest of the dwelling and

2. **Roofs**

   Deterioration takes place over a 15-25 year cycle. Interior damage to the structure results if the roof is not replaced. Look for leakage on interior ceilings and walls (water spots), signs of roof failure, missing or cupped shingles, or cracks in roof covering material.

3. **Electrical System**

   The most vulnerable area is wiring that is homeowner installed. This is frequently done to serve new fixtures or house additions. A local electrical inspector can be consulted if you are in doubt as to the safety of any electrical installation. Be aware of aluminum wiring, frayed wires, and outlets that do not work. The presence of any one of these may be indicative of electrical problems.

4. **Foundation**

   Not every foundation crack is significant. In older houses settlement cracks can be expected, cracks that are recent or large enough to permit the entry of water may weaken support of the house. This problem should be corrected. Check for tilting or braces added in basement, also for wet basements and crawlspaces.

5. **Plumbing**

   Lack of water pressure from faucets, slow emptying drains, or waste lines that gurgle are definite signs of trouble. Call in a plumbing expert to check the problem and recommend any necessary corrective measures. Check the water heater for venting

6. **Adequate in Size**

   The selected comparable and replacement dwelling must be of adequate size to accommodate the number of family members occupying the dwelling.
   a. Children of the opposite sex under the age of ten (10) may occupy the same bedroom.
   b. One child under the age of four (4) may occupy the parent’s bedroom
c. Except for the above cases, spouses, and couples living together by mutual consent, persons of the opposite sex should not be required to occupy the same bedroom.

d. The number of bedrooms at the replacement dwelling should duplicate that of the acquired dwelling, unless more are needed to meet Decent, Safe and Sanitary standards.

**ECONOMIC RENT**

The Economic Rent shall be established and used for owners who choose to rent their replacement dwelling and for tenants when:

1. The average monthly rent paid exceeds the market rent for a similar dwelling
2. The tenant provides a service in lieu of paying rent
3. The rent paid does not represent an arm’s length transaction between the tenant and landlord

An Economic Rent statement must be obtained by request from the Review Appraiser for that parcel. This amount will be used in place of a displacement dwelling rent in the Rental Assistance computations for an owner that will rent their replacement, or for a tenant that pays less than a fair market rent for their displacement dwelling. An example of this use can be found under “Owner to Rent” in the Rental Assistance section.

**SEARCHING FOR COMPARABLE REPLACEMENT HOUSING**

While searching for replacement housing, it is important to remember the overall objective of the program. The objective is fairness and equity to displaced persons. In carrying out this objective we are committed to offering every displaced person at least one replacement dwelling, and three, if available, that is at least basically similar to what he or she had before; a dwelling that is safe to occupy, meets the basic living needs of the person, and provides for the same or similar function as in the displacement dwelling.

To the extent feasible, comparable replacement dwellings shall be selected from the neighborhood in which the displacement dwelling was located or, if that is not possible, in nearby or similar neighborhoods where housing costs are generally the same or higher. A comparable neighborhood would be one in which housing costs are generally similar. It must be understood that comparable dwellings cannot be and are not required to be identical to the displacement dwelling.

The Right of Way Agent shall offer minority persons reasonable opportunities whenever possible to relocate to decent, safe, and sanitary dwellings not located in an area of minority concentration and that are within their financial means. However, it should be noted that this policy does not require the State to provide displaced minority persons a larger payment than is otherwise
necessary to enable them to relocate to a comparable replacement dwelling. It is intended that if the comparable replacement dwellings are located in areas of minority concentration, minority persons should, if possible, also be given opportunities to relocate to replacement dwellings not located in such areas.

No discussion concerning replacement-housing standards would be complete without reiterating the need to physically inspect the exterior and interior of selected comparables if at all possible. The Right of Way Agent needs to know that the dwelling one is offering to the displaced person is Decent, Safe and Sanitary and has amenities comparable to those in the displacement dwelling. The Agent will be "selling" the comparable or comparables to the displaced person as well as to INDOT Central Office for payment computation approval. Comparables may be reused for different displaced persons so long as they remain available, are comparable, and each person offered the comparable is given sufficient opportunity to inspect it.

REVIEW DISPLACEMENT HOME DATA

Shortly after the Appraisal / Inventory Meeting, the Right of Way Agent should have completed the first column of the Comparable Properties for Replacement Housing form (see Online Forms, RAAP14 & 14t). The Agent should make sure this form is correct and complete as it will be used as the basis for comparison. In addition the Agent should review photos, the Residential Questionnaire, prior Right of Way Agent’s reports and correspondence, and any relevant notes. This will help the Agent have a clear understanding of the displacee(s) needs before initiating the search.

RESEARCH THE CURRENT MARKET

The Right of Way Agent shall review the market for available sales and rental housing, as applicable. Using the information compiled on the displacement dwelling and the displacee's housing needs, the Right of Way Agent shall identify available Decent, Safe and Sanitary dwellings, which are comparable to the displacement dwelling based on the definition of Comparable Replacement Housing. If dwellings meeting those criteria are not available on the market, dwellings that exceed those requirements may be treated as comparable. An extensive search using multiple listing service information, local Real Estate offices, driving around the area, and other sources including newspaper advertisements and Internet search tools must be made to assure that housing is found at the lowest cost that meets comparability requirements.
When using an internet search tool, it is always a good idea to allow for variation in order to capture as many possibilities as possible. Property descriptions are often inconsistent, or there may be features in a new home that will functionally replace a necessary feature in the displacement home. For instance, if searching for a property comparable to a 4 bedroom, 3 bath, 2 story house with a basement on a 3 acre lot, the search parameters might include:

- 3-5 bedrooms
- 2-4 baths
- 1-3 stories
- ½ to 5 acres

This will allow the Agent to discover a property that has fewer stories but has plenty of square footage, or lacks a basement but has a large utility/storage area.

Ideally, the search phase should cover a minimum of 30 days to allow sufficient time for a thorough investigation of current market prices. A record should be kept of the dates searching was performed and what resources were used (websites, real estate agents’ names and numbers, newspapers, For Sale by Owner leads, etc.). This will need to be reported in the Right of Way Agent’s Report about the Comparable Housing Search that must be submitted with the Residential 90-Day Pre-Approval documentation and with voucher documentation for any housing assistance payments as indicated in the Relocation Assembly Manual. This information can also be recorded in the remarks section of LRS.

The Agent should also maintain documentation of all properties considered and dated notes indicating why or why not each property will be included in the final consideration as “comparable.” This can take the form of a printout of an MLS sheet or rental ad with clearly legible notation on the sheet about major comparability features, the date the property was found, and dates that the Agent confirmed that the property was still available.

In the process of searching, the Agent should take note of the available utilities for each property. This is one of the comparison points on the RAAP14/14t form (see Online Forms, Comparable Properties for Replacement Housing) because the displacee may be moving appliances that are set up for gas, electric or propane specifically. Also, the variation in costs of different types of utilities can be a comparability factor. When searching for rental properties, it is especially critical to understand not only what utilities are used, but also whether the tenant or the landlord pays for them. This information will be needed to calculate the potential and actual Rental Assistance Payment determination.

It is up to the Agent to decide when to obtain photos of selected comparables. Some Agents visit every property as they find them. Others wait until they have narrowed the choices down to a smaller number. Keep in mind, though, that marketing photos can be deceiving. It is not unusual to have to eliminate a favored comparable after viewing it in person and/or visiting the neighborhood, so it is best not to leave this task until the last minute.
In the extremely rare instance that there is nothing available that can be considered Comparable Replacement Housing, an alternative procedure is to base the calculation of the potential Price Differential Payment on the cost of New Construction. An example where this option would be appropriate would be if the displacement home was recently custom-built to accommodate a specific physical disability, and the cost, effort and time required to modify an existing structure to be functionally equivalent would be unreasonable compared to that of purchasing land and building a new structure. This procedure is described under Alternative Approaches.

NUMBER OF COMPARABLE DWELLINGS REQUIRED

The Right of Way Agent shall select three (3) comparable dwellings that fully meet the requirements of functional equivalence. Every effort shall be made to locate at least three comparable dwellings. However, fewer than three comparables may be used when three are not able to be located and the Relocation Supervisor approves using fewer than three in advance. The Agent must document why three comparables were not obtainable if less than three are used.

VERIFICATION OF COMPARABILITY AND AVAILABILITY

The Right of Way Agent shall contact the listing agent, seller, or landlord of each selected comparable to assure its current availability and to verify that each selected comparable meets all the requirements of comparable replacement housing. The Agent shall personally view each of the selected comparables, conducting at least an exterior inspection and taking a photograph of each for the relocation file. After verification, the Agent shall document the factors of comparability for each comparable selected and explain the rationale for selecting the comparable used to determine the housing entitlement of the displacee on the Comparable Properties for Replacement Housing form (see Online Forms, RAAP14 & 14t) and in the Right of Way Agent’s Report regarding the Comparable Search.

The Right of Way Agent should periodically verify that the property is still available by either calling the selling/renting agent or checking the listing. It is a good idea to document the dates that the property was verified to be available.

EVALUATE COMPARABLE PROPERTIES

As the search continues, the Right of Way Agent should begin to recognize trends in what is available and what the general price range will be. Certain homes will stand out as the most comparable and reasonable. When evaluating homes for comparability and functional equivalence, keep in mind the displacee(s) that they are intended for. Factors such as household income, family size, physical ability levels and age should always be a consideration.

When evaluating options to replace a rental home, it is important to remember that major exterior features such as a pool or a storage shed are not critical to functional equivalence in the same way as for a replacement home that will be purchased. While it is preferable to be able to find properties that offer these features, there will be no breakout value if they are not available.
However, if the replacement home is to be purchased, the need to calculate breakout/carveouts for major exterior features can be a deciding factor. In most cases, it is better to provide a comparable home that does not need breakout/carveouts. This technique is explained in further detail in the section regarding the calculation of a Price Differential Payment.

Once the Agent is able to narrow the available options down to three top choices, the remaining columns on the Comparable Properties for Replacement Housing form (see Online Forms, RAAP14 & 14t) can be completed. The final decision for a prime comparable on which to base the housing assistance entitlement should be made after the potential payment amounts have been calculated and entered into this form.

While it is not always possible, it is preferable that the prime comparable requires the least amount of breakouts while still arriving at a reasonable potential Price Differential entitlement determination.

**REPLACEMENT HOUSING PAYMENT (RHP)**

The Replacement Housing Payment (RHP) is actually a combination of 3 separately determined entitlements that are intended for residential owner-occupants that will own their replacement home as well:

1. Incidental Expenses Reimbursement
2. Mortgage Interest Differential Payment (MIDP)
3. Price Differential Payment (PDP)

**INCIDENTAL EXPENSES**

Eligible incidental expenses are those reasonable costs actually incurred by the displaced person incidental to the purchase of a replacement dwelling and customarily paid by the buyer. Some expenses will be incurred before the closing meeting, such as an inspection or mortgage appraisal. A copy of the report and a receipt or a zero balance invoice can be used for documentation in this situation. If the expenses are paid at closing, the Right of Way Agent must obtain a copy of the signed HUD Closing Statement after the closing for the replacement home is complete.

Any expense listed that can be refunded, is paid by the seller, or is related to commission, taxes or homeowner’s insurance will not be eligible. Expenses such as title services, title insurance, recording fees, appraisals, mortgage surveys, and credit checks are all eligible for reimbursement. If the displacee(s) had a mortgage at the displacement property, it is possible that some of the costs associated with obtaining a mortgage on the replacement property will be reimbursable. Consult with the Reviewer to make this determination.
The *Relocation Assembly Manual* includes a page that gives instructions and requirements for this payment. Right of Way Agents that are still in the probationary period of their prequalification process must submit the voucher documentation to Central Office for review and pre-approval prior to presenting it to the displacee(s) for signature or discussing the reimbursement amount.

It is possible to prepare an advanced payment (see Online Forms, Agreement for Advanced RHP, RAAP22, 22A & 23) of a portion of the Incidental Expenses that would be incurred at closing with the use of a Good Faith Estimate. Please note that the full amount of the expected eligible closing costs will not be paid in advance. The Reviewer will assist in determining the appropriate advance amount that could be pre-approved, based on a demonstrated need.

The following example includes a portion of pages 1 and 2 of a closing statement:
The Closing Cost Certification (RAAP 20) would be completed like this:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Origination Charge - ($500 underwriting, $11.75 tax transcripts, $15 wire)</td>
<td>$526.75</td>
</tr>
<tr>
<td>Appraisal Fee -</td>
<td>$250.00</td>
</tr>
<tr>
<td>Credit Report -</td>
<td>$79.90</td>
</tr>
<tr>
<td>Flood Certification -</td>
<td>$10.00</td>
</tr>
<tr>
<td>Title Services &amp; Lender's Title Insurance</td>
<td>$770.00</td>
</tr>
<tr>
<td>Owner's Title Insurance -</td>
<td>$1,025.00</td>
</tr>
<tr>
<td>Government Recording -</td>
<td>$94.00</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>$2,789.35</strong></td>
</tr>
<tr>
<td>Credit: Seller Title Service Fee</td>
<td>$250.00</td>
</tr>
<tr>
<td>Credit: Owner's Policy Title Insurance</td>
<td>$1,025.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,160.35</strong></td>
</tr>
</tbody>
</table>

In the example shown, the Right of Way Agent would need to obtain documentation that:

1. There was a prior mortgage

2. The Origination Charge was a flat fee and not related to the prior or replacement mortgage amounts, as shown on the second line of the Closing Cost Verification worksheet. This would be documented in a letter/email from the lender

Also, two credits were subtracted from the reimbursement total – the closing statement showed that the Seller paid these charges at the closing. These issues should all be explained in the Right of Way Agent’s Report for the Incidental Expenses Voucher.

**MORTGAGE INTEREST DIFFERENTIAL PAYMENT (MIDP)**

Mortgage Interest Differential Payments (MIDP) may be paid as part of a Replacement Housing Payment. This benefit is available only to an owner-occupant of 180 days or more who had a mortgage at the displacement dwelling and will have a mortgage at the replacement dwelling. The payment is made to compensate the displaced person for additional costs experienced because the mortgage rate on the replacement dwelling is greater than that of the displacement dwelling. The prior mortgage must be a valid lien for at least 90 days prior to the initiation of negotiations. More than one qualifying mortgage can be considered.

While this payment is not common, the Right of Way Agent is required to document that information has been gathered to determine if the displacee is eligible. Even if the displacee is not eligible to claim this payment, the Right of Way Agent reports associated with Price Differential and Incidental Expense payments must note the following:

1. Whether there was a mortgage on the displacement home or not
2. Whether or not the mortgage interest on the replacement home was higher than the prior mortgage

If there is an increase in the mortgage rate from the displacement to the replacement home, the Right of Way Agent should obtain a copy of the mortgage AND note from the displacement home, along with evidence of the new mortgage rate (new mortgage and note or Good Faith Estimate). These should be submitted to the Reviewer with the completed Increased Interest Data Form (see Online Forms, RAAP19) so that the MIDP amount can be determined and approved by Central Office.

The *Relocation Assembly Manual* includes a page that gives instructions and requirements to generate this payment. Right of Way Agents that are still in the probationary period of their prequalification process must submit the voucher documentation to the Reviewer for pre-approval prior to presenting it to the displacee(s) for signature or discussing the reimbursement amount.

It is possible to prepare an advanced payment (see Online Forms, Agreement for Advanced RHP, RAAP22, 22A & 23) of the Mortgage Interest Differential Payment with the use of a Good Faith Estimate and a signed purchase agreement. The Reviewer will assist in determining if an advance could be pre-approved, based on a demonstrated need.

**PRICE DIFFERENTIAL PAYMENT (PDP)**

This entitlement represents the difference between the funds received for the acquisition of the displacement dwelling and the amount of money it should require to obtain a functionally equivalent replacement dwelling. The Right of Way Agent will determine what the maximum potential PDP can be based on housing prices in the current real estate market, but the actual payment will be based on the price of the replacement home the displacee chooses, without exceeding the PDP determination.

The *Relocation Assembly Manual* includes pages that provide instructions and requirements for the determination of the potential Price Differential entitlement amount and for the payment of the actual Price Differential Payment:

- Residential 90-Day Notice Pre-Approval
- Price Differential Payment and Owner Last Resort Housing

The *Relocation Assembly Manual* includes a page that gives instructions and requirements to generate this payment. Right of Way Agents that are still in the probationary period of their prequalification process must submit the voucher documentation to the Reviewer for pre-approval prior to presenting it to the displacee(s) for signature or discussing the reimbursement amount.

It is possible to prepare an advanced payment (see Online Forms, Agreement for Advanced RHP, RAAP22, 22A & 23) with the use of a Good Faith Estimate and a signed purchase agreement.
The Reviewer will assist in determining if an advance could be pre-approved, based on a demonstrated need.

**Administrative Settlements**

In the case that a residential owner-occupant negotiates an Administrative Settlement for the amount that will be paid to acquire the displacement dwelling, the potential Price Differential or Rental Assistance entitlement could be subject to change.

**Condemnation Cases**

Since the dollar amounts used to calculate the Price Differential cannot be determined due to pending condemnation proceedings, a provisional Replacement Housing Payment may be calculated prior to the court proceeding by using the State's maximum offer for the property for computation purposes. Payment in such cases may be made only upon the owner-occupant signing an Agreement for Advanced RHP for Condemnation Cases (see Online Forms, RAAP23) that the Replacement Housing Payment will be recalculated upon final determination of the condemnation proceeding. If the amount of the court award for the residential property exceeds the amount used in provisional computations, the displaced owner must agree to refund from the court award the amount of the excess. The refund is not to exceed the amount of the Price Differential that was paid in advance. If the displacee will not execute such an agreement, the Price Differential Payment shall be deferred until the case is adjudicated. Then the Price Differential potential entitlement and actual payment will be computed using the court award for the residential property.

In cases other than the total purchase of a dwelling and homesite, and in the absence of the Court's specification of an amount for the residential dwelling and land in the judgment, a proportional computation shall be an acceptable manner of determining the residential portion of the court award. In the proportion, the price paid by the State for the residence would increase or decrease in direct proportion to the increase or decrease in the court award over the Uniform Offer.

**Last Resort Housing**

If the entitlement is determined to be in excess of $31,000.00, it is considered to be Owner Last Resort Housing (LRH-O). Additional documentation and procedures must be followed in order to gain approval for this type of payment. Last Resort Housing is discussed in further detail in *Special Topics in Housing Entitlements*.

**Standard PDP Computation for Determinations and Actual Payments**

The potential Price Differential entitlement is determined by subtracting the acquisition price of the displacement dwelling from the cost of the most comparable dwelling selected by the Right of Way Agent. The result is the maximum Price Differential to which the displaced person is
entitled. The calculation for the prime comparable is shown on the RHP Computation form (see Online Forms, RAAP15).

The philosophy of the Replacement Housing Payment is that the displaced person must actually incur a cost increase in order to claim a Price Differential Payment. He or she will be paid the computed amount of the Price Differential or what is actually spent for a replacement dwelling, whichever is less.

EXAMPLE: Potential Price Differential entitlement determination computation

<table>
<thead>
<tr>
<th>Example 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Replacement Comparable</td>
</tr>
<tr>
<td>Displacement Dwelling Price</td>
</tr>
<tr>
<td>Price Differential Entitlement</td>
</tr>
</tbody>
</table>

The displaced person in this example would be informed of a Price Differential Payment potential entitlement of $8,000.00 but would only receive this full amount if the actual replacement property cost $50,000.00 or more.

The actual Price Differential Payment is computed by using the lesser of (1) the cost of a comparable dwelling or (2) the cost of the actual replacement property purchased by the displaced person minus the INDOT amount paid for the displacement property. If the displaced person does not purchase a replacement property costing at least as much as the comparable, he or she will receive a payment that is lower than the determination.
The following is an example of an actual Price Differential Payment when the displaced 90-day homeowner-occupant actually spends less than the cost of the comparable dwelling.

Example 2

Cost of a Comparable Dwelling $50,000.00
Displacement Dwelling Price - $42,000.00
Actual Replacement Cost $48,000.00

Payment will be the lesser of Computation (A) or (B)

(A) 
Cost of Comparable $50,000.00 Actual Replacement $48,000.00
Displ Dwell Price - $42,000.00 Displ Dwell Price - $42,000.00
Price Diff Entitlement $8,000.00 Actual Payment $6,000.00

The Price Differential Payment would be $6,000.00.

Frequently, the displaced person will elect to purchase a replacement property, which costs more than the selected comparable. In these cases, the Price Differential Payment is limited to the computed entitlement based on the comparable. In other words, the maximum payment would be $8,000.00 in the prior example.

**PRICE DIFFERENTIAL - ADJUSTMENTS IN CALCULATION**

**Adjustment of Comparable Dwelling Asking Price**

Adjustments of asking price are **not** permitted. The actual list price should be used when determining the Price Differential entitlement amount.

**Adjustments to Acquisition Amount for Potential Price Differential Determination**

When either the Price Differential entitlement or the actual payment is computed, the following additional circumstances may require that adjustments be made in establishing either the acquisition price or the cost of the comparable dwelling:

- Major Exterior Attributes - Displacement
- Excess Land - Displacement or Actual Replacement
- Mixed-Use - Displacement, Comparable, Actual Replacement
- Partial Acquisitions
1. **Major Exterior Attributes**

Major appurtenances and land improvements related to residential use may be separated from the value of the residence through a breakout/carveout. Examples of these are storage sheds, and swimming pools. Where available dwellings do not have these major appurtenances, the use of those dwellings as comparable is acceptable when the appropriate breakout/carveout is made. An example would be if the displacement dwelling had a swimming pool. The value of the swimming pool would be established via the appraisal and separated from the value of the residence and lot.

The displacement dwelling in this example is valued at $75,000.00 and has an in ground swimming pool. No available comparable with a pool can be found. However, an otherwise comparable property is available for $73,500.00.

### Breakout/carveout Computation of Acquisition Price:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of displacement, including pool</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Contributory value of pool</td>
<td>-$5,000.00</td>
</tr>
<tr>
<td>Value of displacement, minus pool</td>
<td>$70,000.00</td>
</tr>
</tbody>
</table>

**Price Differential Computation:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determined Cost of Comparable</td>
<td>$73,500.00</td>
</tr>
<tr>
<td>Adjusted Price of Displacement</td>
<td>-$70,000.00</td>
</tr>
<tr>
<td>Price Differential Payment</td>
<td>$3,500.00</td>
</tr>
</tbody>
</table>

2. **Excess Land**

If the displacement dwelling is located on a lot that is substantially larger than the typical lot in the project area, an adjustment must be made to the acquisition price for relocation purposes. This adjustment is also necessary to compare similar situations.

As in the previous major exterior attribute computation, the value allocated to the excess land must be determined. If the excess land value were itemized in the approved appraisal report, this would be all of the documentation necessary. If the appraisal report is silent on this item, the Appraisal Section must be requested to supply the contributory value of the excess land before the purchase Price Differential can be computed.
This concept is explained in the following example:

**Excess Land Adjustment**

The displacement residential property is located on a two-acre site. The appraised fair market value is $65,000.00. Typical lots in the area are one acre in size. The appraiser has allocated $5,000.00 of the fair market value to the excess land in the appraisal report.

<table>
<thead>
<tr>
<th>Fair Market Value – Displacement</th>
<th>$65,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Excess Land</td>
<td>- $5,000.00</td>
</tr>
<tr>
<td>Displacement Residential Value</td>
<td>$60,000.00</td>
</tr>
</tbody>
</table>

**Price Differential Computation**

<table>
<thead>
<tr>
<th>Determined Cost of Comparable</th>
<th>$70,500.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Displacement Residential Value</td>
<td>- $60,000.00</td>
</tr>
<tr>
<td>Potential Price Differential Entitlement</td>
<td>$10,500.00</td>
</tr>
</tbody>
</table>

**3. Mixed-Use Properties**

An adjustment may also be necessary when the displaced person uses a portion of the displacement property for other than residential use. One example would be a "Mom and Pop" store with living quarters behind or above the store.

An adjustment is necessary in a mixed-use situation because by law a supplement can only be paid on the residential use portion of the displacement property. Although the Price Differential Payment could be computed using a similar, mixed-use property, if available, adjustments would be necessary to both the displacement property and to the selected comparable properties. It is much easier to carve-out the residential portion and compare it to comparable residential units.

The mixed-use adjustment can be perplexing because the residential-use value may be quite difficult to establish. For example, if the subject property is a drug store and the displaced person and his family occupies an apartment above the store, in all likelihood the majority of the fair market value for the property would be attributable to the commercial portion. If the market approach were used in establishing the fair market value and the comparables had similar apartments, the appraisal would shed no light on the value of the residential-use portion.

One answer may be to use the income approach. If the appraiser has provided the market rent for the store and for the apartment, the income approach may be used even if it was not relied upon in the final correlation of value. If the market rent for the store were shown at $750.00 per month and the apartment at $250.00 per month, the apartment would represent 25% of the gross income for the entire property.
($250.00/$1,000.00 = 25%). The appraisal section should be consulted to establish the value of the residential unit, and the file should be documented with the factors used in establishing the value.

The same situation occurs when the displaced person owns a duplex and occupies one of the units. It is necessary to establish the value of the owner-occupied unit. The Right of Way Agent should seek comparable duplex properties. However, since a supplement cannot be paid on the investment portion of the property (the portion not occupied by the owner), the Replacement Housing computation must be based solely on the value of the unit the displaced person occupies. It should disregard that portion of the asking price of the unit that would be rented to others.

a. **Mixed-Use (Non-Residential) Adjustment**

The displaced person owns and occupies the second floor apartment above a drug store which he or she also owns. The entire property has been valued at $200,000.00. The market rent is $750.00 per month for the drug store and $250.00 per month for the apartment.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair market value of entire property</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>Drug Store Value ($750/$1,000 = 75%)</td>
<td>- $150,000.00</td>
</tr>
<tr>
<td>Displacement Residential Value</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Asking Price of Available Property</td>
<td>$220,000.00</td>
</tr>
<tr>
<td>Store Portion Value ($220,000 x 75%)</td>
<td>- $165,000.00</td>
</tr>
<tr>
<td>Comparable Residential Value</td>
<td>$55,000.00</td>
</tr>
<tr>
<td>Displacement Residential Value</td>
<td>- $50,000.00</td>
</tr>
<tr>
<td>Potential Price Differential Entitlement</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

b. **Mixed-Use (Residential) Price Differential Computation**

The displaced person occupies one side of a duplex. He or she rents the other side to a tenant.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Displacement Unit Residential Breakout</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Breakout value comparable duplex unit</td>
<td>$58,000.00</td>
</tr>
<tr>
<td>Displacement Unit Residential Breakout</td>
<td>- $50,000.00</td>
</tr>
<tr>
<td>Potential Price Differential Entitlement</td>
<td>$8,000.00</td>
</tr>
</tbody>
</table>

4. **Partial Acquisitions**

If the project limits are such that it is not necessary to acquire the entire property, a partial acquisition may be appropriate. Most partial acquisitions do not involve a displacement. However, this is not always the case. Displacement may be necessary
because of the elimination of access, the acquisition of a septic system or well which cannot be replaced on the remaining property or the dwelling itself may fall within the area required for the project.

If the remainder constitutes a buildable lot and the State makes an offer to purchase the remainder, the fair market value of the remainder attributable to a residential lot is added to the acquisition cost of the displacement dwelling for purposes of computation.

To illustrate this concept, say the subject property is a lot 125' x 150'. Even though only 10 feet is needed from the front of the property, the dwelling will be purchased by the State. The 125' x 140' remainder is a buildable lot.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Before R/W Purchase</td>
<td>$60,000.00</td>
</tr>
<tr>
<td>Value of Remaining Land after R/W Purchase</td>
<td>- $12,000.00</td>
</tr>
<tr>
<td>Displacement Residential Value</td>
<td>$48,000.00</td>
</tr>
</tbody>
</table>

If the State makes an offer to purchase the remaining buildable lot and the owner refuses to sell, the $12,000.00 value of the lot is added to the R/W acquisition price for Price Differential computation purposes:

\[
48,000.00 + 12,000.00 = 60,000.00
\]

In the case of an uneconomic remnant, which is not a buildable lot, the value of such remnant may also be added to the State's acquisition price. However, if the displaced person refuses to sell the uneconomic remnant to the State, the value may not be used in the computation for Price Differential payments.

**Breakout/Carveout of Actual Price Differential Payment**

As already discussed, a displaced owner-occupant must purchase and occupy a decent, safe, and sanitary replacement property costing at least as much as the State's comparable to claim the full Price Differential entitlement. If a replacement were acquired for less, then the Price Differential Payment would be reduced accordingly.

There is also another requirement. The replacement must be reasonably similar in terms of acreage and land use type. If the displacement residence was purely residential, the replacement must be residential. Any portion of the actual replacement cost that is for other than residential use must be disregarded in the actual Price Differential Payment computation. If the displacement property was a standard quarter-acre lot and the replacement property was 3 acres, the cost for the excess acreage must be disregarded. This breakout/carveout method will apply if the displaced person purchases either excess land or a mixed-use property including a duplex. If this situation arises, consult with the Reviewer.

In order to avoid problems and misunderstandings, the possibility of an actual replacement breakout/carveout should be thoroughly discussed with the displaced person beforehand.
PRICE DIFFERENTIAL - ALTERNATIVE APPROACHES

New Construction – Potential Price Differential Entitlement Determination

The estimated replacement cost of a new comparable dwelling on a comparable homesite can be used in computing a Price Differential entitlement determination provided that no comparable dwellings are available, nor will any become available in the foreseeable future. In such cases, housing that is comparable to the dwelling being acquired in all aspects except that it is not reasonably accessible to the displacee's place of employment can be used in computing the Price Differential entitlement determination if the displacee gives written concurrence in its use. Such written concurrence should be documented in the parcel file. It must also be explained to the displacee that such housing is not fully comparable and that he or she would not be required to accept its use in the entitlement determination. When "comparable(s)" properties are not available, the estimated cost to build a new dwelling on a comparable homesite would be appropriate for computing the relocation housing entitlement. Estimates from two contractors should be obtained to determine the cost of a new dwelling. The Right of Way Agent should proceed as follows:

1. Contact two builders and furnish the following information for the cost estimate:
   a. Description of the dwelling including number of rooms, baths, amount of living space, type of construction, etc. (Major appurtenances such as swimming pools, greenhouses, or additional garages, etc. will not be included in the dwelling description or cost estimate)
   b. Description of the home site, drive, and typical landscaping
   c. Description of the utilities such as sanitary facilities, water supply, electric, etc.

   NOTE: If only one bid is obtainable from a building contractor, the Right of Way Agent must request from the Appraisal Section an updated cost approach for the subject dwelling.

2. The cost estimate, excluding major appurtenances, will be used as the amount determined as necessary to purchase a comparable dwelling. The difference between this amount and the State's offer or breakout/carveout will become the Price Differential Payment entitlement.

3. When the cost estimate procedure is used instead of the comparable method, the displacee shall not be required to vacate his dwelling unit until he or she has either by himself obtained the right of possession of replacement housing, or he/she has been offered comparable housing which is available for his immediate occupancy. If the displacee expresses an interest in a dwelling which differs from the displacement dwelling, referrals may be given to the type of dwelling which the relocatee desires.
New Construction - Actual Price Differential Payment

To determine an actual Price Differential Payment based on a newly constructed replacement home, the Right of Way Agent must use the cost of the replacement home. This cost should include costs to purchase the lot, prep the ground for building, construction, and any construction permits or inspections required by state and local regulations or by the mortgage company. All costs must be documented either through bids or invoices and shown to be actual, reasonable, and necessary in order to be included in the calculation.

The final total is used in the same way as the sale price of an existing home would be used in a traditional Price Differential Payment:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Construction</td>
<td>+ 200,000.00</td>
</tr>
<tr>
<td>Permits/Inspections</td>
<td>+ 5,000.00</td>
</tr>
<tr>
<td>Ground Prep</td>
<td>+ 35,000.00</td>
</tr>
<tr>
<td>Cost of Replacement Home</td>
<td>$300,000.00</td>
</tr>
</tbody>
</table>

Payment will be the lesser of Computation (A) or (B)

(A) Cost of Comparable - Displ Dwell Price = $20,000.00
(B) Actual Replacement - Displ Dwell Price = $70,000.00

Actual Price Differential Payment cannot exceed the potential entitlement calculation. **Actual payment will be $20,000.00.**

New construction of a replacement home involves additional steps if the displacee obtains a construction loan that must be converted to a mortgage after the home is complete.

Many times, the displacee will request an advance on the Price Differential Payment to cover costs before the home construction is complete. An Advanced Price Differential Payment must be pre-approved by INDOT Central Office. The displacee must sign an Agreement for Advanced RHP (see Online Forms, RAAP22 & 22a) and submit a signed construction contract and a deed to the lot before the advance may be released. Lastly, an explanation of the need for the advance must be documented in a Right of Way Agent’s Report. The Agent should take care to explain to the displacee that while funds are being disbursed prior to all the Price Differential requirements being met, they are still expected to meet the requirements within the allotted time, or they may be asked to refund the full amount.
Owner-Retention of the Displacement Dwelling - Actual Price Differential Payment

If a displaced homeowner-occupant of 90-days or more elects to retain a dwelling and move it to a site which he or she already owns or purchases, the potential Price Differential Entitlement is determined using the standard three comparable method. The cost of a comparable replacement dwelling is established in the usual manner. If the relocated dwelling becomes the displaced person’s replacement property, it will be necessary to determine the actual cost of the replacement property including the retention cost, moving and restoration expenses, and the replacement land value.

Certain limitations must be considered. First, the costs for moving, restoring, improving to DS&S condition, etc. must all be actual and reasonable costs. Care should be taken those extra items such as for finishing the basement when the original dwelling did not enjoy this feature are not included in the restoration total.

In owner-retention situations, no Price Differential Payment can be made unless the total replacement housing costs such as the cost of the lot, ground prep, moving, and restoring exceeds the amount the State paid for the displacement property. Experience has shown that in the vast majority of cases, the displacee will spend less than the amount the State paid for the displacement property.

RENTAL ASSISTANCE PAYMENT (RAP) DETERMINATION

The Rental Assistance Payment (RAP) is intended for displacees that had rented or owned the displacement home for at least 90 days and plan to rent their replacement home. It represent the difference between what it cost to rent and pay utilities in the displacement home and what it will cost to rent and pay utilities in a comparable replacement home for a period of 42 months. While the search for comparable housing will follow the same procedure, the methods and limits for arriving at a potential and actual entitlement amount will differ between individuals who were tenants and owners of the displacement dwelling.

The Relocation Assembly Manual includes pages that provide instructions and requirements for the determination of the potential Rental Assistance Payment amount and for the payment of the actual Rental Assistance Payment:

- Residential 90-Day Notice Pre-Approval
- Rental Assistance Payment and Tenant Last Resort Housing

When informing the displacee(s) of the Rental Assistance determination, the Right of Way Agent shall explain that referrals to rental properties will be made, as they become available. Since the referrals are for the rental of replacement housing, the rental rates of the referrals shall be within the financial means of the displacee.
The Right of Way Agent shall in no way act as an agent for any landlord or Real Estate Broker. He or she will be careful in all conversations to avoid favoring one landlord over another in the recommendations made to the displacee.

Once the actual payment has been calculated based on the replacement home that has been rented, the full amount of the Rental Assistance Payment vests to the displacee immediately, whether or not there is any later change in the person's income or rent, or in the condition or location of the person's housing, except in the event of the death of a displaced person and a non-disbursed portion of a Rental Assistance Payment remains to be paid. (see Payment After Death for further information)

The Relocation Assembly Manual includes a page that gives instructions and requirements to generate this payment. Right of Way Agents that are still in the probationary period of their prequalification process must submit the voucher documentation to the Reviewer for pre-approval prior to presenting it to the displacee(s) for signature or discussing the reimbursement amount.

It is possible to prepare an advanced payment with the use of a signed lease agreement. The Reviewer will assist in determining if an advance could be pre-approved, based on a demonstrated need.

**CONVERSION OF RENTAL ASSISTANCE FOR HOME PURCHASE**

Residential tenant-occupants may choose to take a Downpayment Assistance Payment in lieu of a Rental Assistance Payment. This topic is discussed in more detail later in Downpayment Assistance.

If a residential owner-occupant or a tenant-occupant displacee takes a Rental Assistance Payment that does not exhaust their potential Rental Assistance entitlement determination, then later choose to purchase a house within the 12 months as defined in the Entitlement Letter and 90-day Notice, they may be able to claim the remaining balance as a Downpayment Assistance or Price Differential Payment, depending on their prior occupancy status. If this situation occurs, contact the Reviewer to verify eligibility.

**CALCULATING UTILITIES**

The average utility costs are calculated on the Utility Allowance sheet that corresponds to the county and single-family/multi-family status of the dwelling. The most up-to-date Utility Sheets can be found on the IHDCDA site: http://www.in.gov/myihcda/2430.htm. Each sheet provides a space to add the various utility types and includes a space for identifying information. A utility sheet should be completed for the displacement dwelling and for each dwelling that is evaluated for comparability. Each dwelling will vary in terms of type of fuel (gas, electric, propane, etc.), water source (well, city) and method of waste disposal (sewer, septic). Please note that the “Water” and “Sewer” line items may be included in the rent for some locations and do not need
to be counted twice. The “Trash,” “Range/Microwave,” “Refrigerator” and “Other” line items are not used in this calculation.

The following example shows a Utility Allowance Sheet for Marion County in a multi-family residence that has 3 bedrooms and uses natural gas for heating the home, the water heater, and for cooking.

This documentation of utility computations at displacement, comparable, and replacement dwellings must be submitted with all rental entitlement determinations and Rental Assistance Payment voucher assemblies. When all utilities are included in the rent for a dwelling, the rental amount that includes all utilities may be used for rental assistance entitlement and payment purposes instead of Utility Allowance computations.
RELOCATION PROCEDURES – REPLACEMENT HOUSING ENTITLEMENTS

RENTER TO RENT

The Rental Assistance Payment for tenant displacees is limited to $7,200.00. If the potential entitlement determination exceeds this amount, it is considered to be Tenant Last Resort Housing (LRH-T). Additional documentation and procedures as laid out in the Relocation Assembly Manual must be followed in order to gain approval for this type of payment. Last Resort Housing is discussed in further detail later in Special Topics in Housing Entitlements.

RAP Computations

Once the comparable search has been completed and a prime comparable rental dwelling has been identified through the use of the Comparable Properties for Tenant Replacement Housing (see Online Forms, RAAP14t), the potential Rental Assistance Payment amount is determined by comparing the cost to rent and pay average utilities for the comparable rental home to the cost of renting and pay average utilities for the displacement rental dwelling. The calculations for the prime comparable will be shown on the RAP-DAP Worksheet (see Online Forms, RAAP15a).

The following is an example of a simple Rental Assistance computation for a potential entitlement followed by the actual payment eligibility based on the replacement rental home that was chosen:

<table>
<thead>
<tr>
<th>Potential Rental Assistance Entitlement</th>
<th>Actual Rental Assistance Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent and Utilities for a comparable dwelling $864.00 ($750 rent + $114 utilities)</td>
<td>Rent and Utilities for replacement dwelling $875.00</td>
</tr>
<tr>
<td>Displacement Dwelling Rent and Utilities - $742.00 ($650 rent + $92 utilities)</td>
<td>Displacement Dwelling Rent and Utilities - $742.00</td>
</tr>
<tr>
<td>Monthly Difference $122.00</td>
<td>Monthly Difference $133.00</td>
</tr>
<tr>
<td>42 months x 42</td>
<td>42 months x 42</td>
</tr>
<tr>
<td>Potential Rental Assistance Entitlement $5,124.00</td>
<td>Actual payment will be $5,124.00</td>
</tr>
</tbody>
</table>

**Actual Rental Assistance Payment cannot exceed potential entitlement determination. Actual payment will be $5,124.00**
In the prior example, the rent and utilities for the actual replacement dwelling exceeded that of the prime comparable that was used to determine the Rental Assistance eligibility. The actual Rental Assistance Payment cannot exceed the eligibility determination.

The following example shows what the payment will be if the actual replacement rent and utilities is less than that of the prime comparable:

**Potential Rental Assistance Entitlement**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent and Utilities for a comparable dwelling</td>
<td>$864.00</td>
</tr>
<tr>
<td>Displacement Dwelling Rent and Utilities</td>
<td>- $742.00</td>
</tr>
<tr>
<td>Monthly Difference</td>
<td>$122.00</td>
</tr>
<tr>
<td>Monthly Difference</td>
<td>$122.00</td>
</tr>
<tr>
<td>42 months</td>
<td>x 42</td>
</tr>
<tr>
<td>Potential Rental Assistance Entitlement</td>
<td>$5,124.00</td>
</tr>
</tbody>
</table>

**Actual Rental Assistance Payment**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent and Utilities for replacement dwelling</td>
<td>$802.00</td>
</tr>
<tr>
<td>Displacement Dwelling Rent and Utilities</td>
<td>- $742.00</td>
</tr>
<tr>
<td>Monthly Difference</td>
<td>$60.00</td>
</tr>
<tr>
<td>Monthly Difference</td>
<td>$60.00</td>
</tr>
<tr>
<td>42 months</td>
<td>x 42</td>
</tr>
<tr>
<td><strong>Actual Rental Assistance Payment</strong></td>
<td>$2,520.00</td>
</tr>
</tbody>
</table>

**Actual Rental Assistance Payment is less than the potential entitlement determination. Actual payment will be $2,520.00.**

The comparable and the replacement home should be reasonably within the financial means of the displacee(s). While a higher rent on the comparable or the replacement could yield a higher Rental Assistance Payment, once that payment is spent, the tenant is still responsible for the rental rate. If it is unreasonably high, this could lead to financial distress in the long-run. The Right of Way Agent can point this out as part of their advisory services while the displacee searches for their replacement housing.

**Financial Means Test and 30% Rule**

The Right of Way Agent must show that the prime comparable home is within financial means for every residential tenant displacee. This is determined by obtaining income information in the form of tax records and pay stubs for the household. The Agent will then look at the URA Income Limits chart (www.huduser.org/portal/datasets/ura) to learn if the household qualifies as “low income.” If the household income is lower than the amount listed in the chart under the appropriate county and household size, then the Agent must apply the “30% rule.”
The “30% rule” requires that if the cost of renting a dwelling and paying average utilities exceeds 30% of the total household income, the Agent must use a different method to determine the potential Rental Assistance Payment amount.
The following example goes through the steps that are required for a Low Income Rental Assistance determination:

**Determination of Low Income Status**
Potential Rental Assistance Entitlement if not Low Income: $5,124.00

<table>
<thead>
<tr>
<th>Occupant 1 income</th>
<th>$12,000.00/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child support</td>
<td>$1,600.00/year</td>
</tr>
<tr>
<td>Occupant 2 income</td>
<td>+$12,000.00/year</td>
</tr>
<tr>
<td>Total Income</td>
<td>$25,600.00/year</td>
</tr>
</tbody>
</table>

3 occupants – 2 adults and one minor
Displacees live in Indianapolis, IN

Chart Lookup: Total Income is less than $46,900.00 – displacees qualify as “low income”
**levels can change – refer to current chart**

**30% Rule**
$25,600.00/year ÷ 12 months/year = $2,133.00/month

$2,133.00/month x 0.3 (30%) = $640.00/month can be spent on rent & utilities

**Potential Rental Assistance Entitlement for Low Income**
Rent and Utilities for a comparable dwelling $864.00
30% of Income - $640.00
Monthly Difference $224.00

Monthly Difference $224.00
42 months x 42
Potential Rental Assistance Entitlement $9,408.00 (Last Resort Housing)

**Actual Rental Assistance Payment**
Rent and Utilities for replacement dwelling $855.00
30% of Income - $640.00
Monthly Difference $215.00

Monthly Difference $215.00
42 months x 42
Actual Rental Assistance Payment $9,030.00 (Last Resort Housing)

In the prior example, the Low Income Rental Assistance Entitlement limit is $9,408.00, but the actual replacement only requires a Rental Assistance Payment of $9,030.00. Because this
payment exceeds the $7,200.00 Last Resort Housing threshold, it will require further documentation and justification as indicated in the *Relocation Assembly Manual*.

If the displacee receives welfare assistance that designates an amount for shelter and utilities, the base monthly rent will be considered within their financial means, and the Rental Assistance Payment will be computed in accordance with this amount. If the public assistance does not designate a specific amount for rent the rental assistance computation will be based on the monthly rent and estimated average monthly cost of utilities for the DS&S replacement dwelling actually occupied by the displaced person. However, no person shall receive a relocation payment if that person receives a payment under Federal, State, or local law that is determined to have the same purpose and effect as the relocation payment.

In the process of collecting household income information, the Agent must take care to obtain all relevant information and to disregard sources of income that cannot be used. Please note that certain types of income must be included in the total, while other types of income are prohibited from inclusion. For instance, alimony and child support are considered part of the household income, but food stamps cannot be included as income in determining relocation entitlements. Refer to the FHWA website for a list of *Federally mandated exclusions from income*.

*Universal Application Required*

The Financial Means Test must be investigated for every tenant household that is displaced. Regardless of the results, it must be documented in LRS and in a Right of Way Agent’s report that income information was requested and whether or not the household qualifies as “low income.” The Comparable Properties for Tenant Replacement Housing (*see Online Forms, RAAP14t*) also has a space to enter either the 30% calculation or to place a notation of “see RAAP8” to refer to a Right of Way Agent Report that shows the displacee does not qualify for the 30% Rule.

On occasion, a displacee will refuse to provide income information or is delayed in providing the information before the potential Rental Assistance entitlement determination needs to be made. When this happens, the Right of Way Agent must prepare a Right of Way Agent’s Report and insert a note in LRS that states that the Rental Assistance determination was made without income information, and that if the displacee(s) are able to provide information that would qualify them for low income consideration within the 18 months allowed for claims, the determination will be reviewed for possible adjustment. The Report must be shared with the displacee(s) and should be signed by them.

**OWNER TO RENT**

On occasion, a residential owner-occupant displacee will find that it is in their best interest to rent their replacement home rather than purchase a replacement. To accommodate this option, the Right of Way Agent must first determine what the potential Price Differential entitlement would be. This will ultimately set the limit for the potential Rental Assistance entitlement, and in turn, the actual Rental Assistance Payment. Once the potential Price Differential entitlement has
been set, the Right of Way Agent must go through the process of determining a potential Rental Assistance entitlement.

The owner-to-rent entitlement determination procedure requires two comparable searches: one for a home to purchase, and one for a home to rent, and the use of all the following forms:

1. Comparable Properties for Replacement Housing (RAAP14)
2. Comparable Properties for Tenant Replacement Housing (RAAP14t)
3. RHP Computation (RAAP 15)
4. RAP-DAP Worksheet (RAAP15a)

This procedure also requires that the Agent obtain an Economic Rent statement from the Review Appraiser. This figure will be used in place of a displacement rent amount since the displacement dwelling was owned, not rented.

The Rental Assistance Entitlement determination for owner-occupant displacees who plan to rent their replacement differs from that of tenant-occupant displacees who will rent their replacement in that the Financial Means Test or 30% Rule does not apply.

The Relocation Assembly Manual includes a page that gives instructions and requirements to generate this payment. Right of Way Agents that are still in the probationary period of their prequalification process must submit the voucher documentation to the Reviewer for pre-approval prior to presenting it to the displacee(s) for signature or discussing the reimbursement amount.

It is possible to prepare an advanced payment with the use of a signed lease agreement. The Reviewer will assist in determining if an advance could be pre-approved, based on a demonstrated need.
The following example shows the calculation for a potential Rental Assistance entitlement determination and actual Rental Assistance Payment for an owner that will rent their replacement home.

<table>
<thead>
<tr>
<th>Potential Price Differential Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Replacement Comparable</td>
</tr>
<tr>
<td>Displacement Dwelling Price</td>
</tr>
<tr>
<td>Price Differential Entitlement</td>
</tr>
</tbody>
</table>

**Potential Rental Assistance Entitlement**

| Rent and Utilities for a comparable dwelling | $864.00 ($750 rent + $114 utilities) |
| Economic Rent plus Utilities                | - $742.00 ($650 rent + $92 utilities) |

Monthly Difference $122.00

Monthly Difference $122.00

42 months x 42

Potential Rental Assistance Entitlement $5,124.00

**Actual Rental Assistance Payment**

| Rent and Utilities for replacement dwelling | $875.00 |
| Economic Rent plus Utilities                | - $742.00 |

Monthly Difference $133.00

Monthly Difference $133.00

42 months x 42

$5,586.00

**Potential and Actual Rental Assistance Payment do not exceed potential Price Differential Entitlement determination of $8,000.00, but the Actual Rental Assistance Payment cannot exceed the potential Rental Assistance Entitlement determination of $5,124.00. **Actual payment will be $5,124.00**

In the prior example, the Rental Assistance Payment amount was limited by the potential entitlement determination. If the actual replacement requires a lower Rental Assistance Payment than the entitlement determination, the lower amount will be the actual payment. Please note that a Rental Assistance Payment to a residential owner-occupant displacee does not fall into Last Resort Housing at $7,200.00. The Last Resort Housing threshold for all residential owner-occupant displacees is still $31,000.00. If the Rental Assistance Payment exceeds $31,000.00, it will be considered Last Resort, and further requirements and procedures as laid out in the Relocation Assembly Manual and in the Last Resort Housing section in Special Topics in Housing Entitlements.
Conversion of remaining payment

On occasion, a displacee will take a Rental Assistance Payment that does not exhaust their potential Rental Assistance entitlement determination, and then choose to purchase a house within the 12 months allotted in the Entitlement Letter and 90-day Notice. In these situations, the displacee may be able to claim the remaining balance as a Downpayment Assistance or Price Differential Payment, depending on their prior occupancy status. If this occurs, contact the Reviewer to verify eligibility.

DOWNPAYMENT ASSISTANCE

Downpayment Assistance Payments are available to residential tenant displacees only. If a residential tenant displacee chooses to purchase their replacement home, they have the option of applying their Rental Assistance entitlement towards that purchase and to pay for any eligible incidental or closing costs that are incurred as part of the purchase.

To document and calculate the total cost of the replacement home, including the price of the home and any incidental and closing cost amounts, the Right of Way Agent should collect any paid invoices/receipts and a copy of the signed closing statement from the purchase of the home. Eligible incidental and closing costs follow the same criteria that are followed for a Replacement Housing Payment, as explained earlier in this chapter. Of course, a residential tenant displacee will not be eligible to claim reimbursement for any closing/incidental costs associated with a mortgage (or a Mortgage Interest Differential Payment) because as a tenant, they did not have a prior mortgage. The Right of Way Agent must be able to document that the entire Downpayment Assistance Payment will be applied toward principal reduction of the cost of the home and/or to eligible incidental or closing costs before the payment can be released.

The displacee is potentially eligible to claim up to $7,200.00, even if their Rental Assistance Entitlement determination is a lesser amount. If the Rental Assistance Entitlement determination is higher than $7,200.00, they can potentially claim up to whatever that determination amount is. The actual Downpayment Assistance Payment is limited by the amount that the displacee spends on the replacement home and eligible incidental/closing costs. These calculations will be shown on the RAP-DAP Worksheet (see Online Forms, RAAP15a).

It is important to explain this option to all residential tenant displacees. They should also understand that if they initially rent a replacement, but do not exhaust their entire Rental Assistance Entitlement determination on the initial rental and later decide to purchase a replacement within the 12-month limit set by the Entitlement Letter and 90-Day Notice, they may be able to claim the remaining balance of the Rental Assistance Entitlement determination as Downpayment Assistance. If this situation occurs, contact the Reviewer to verify eligibility.

The Relocation Assembly Manual includes a page that gives instructions and requirements to generate this payment. Right of Way Agents that are still in the probationary period of their prequalification process must submit the voucher documentation to the Reviewer for pre-
approval prior to presenting it to the displacee(s) for signature or discussing the reimbursement amount.

It is possible to prepare an advanced payment with the use of a signed purchase agreement. The Reviewer will assist in determining if an advance could be pre-approved, based on a demonstrated need.

The following example shows how an actual Downpayment Assistance Payment should be calculated:

<table>
<thead>
<tr>
<th>Potential Rental Assistance Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent and Utilities for a comparable dwelling</td>
</tr>
<tr>
<td>Displacement Dwelling Rent and Utilities</td>
</tr>
<tr>
<td>Monthly Difference</td>
</tr>
</tbody>
</table>

**20
difference  $122.00

$122.00

42 months  x  42

Potential Rental Assistance Entitlement  $5,124.00

**Potential Rental Assistance Entitlement determination is less than the minimum Downpayment Assistance Payment amount of $7,200.00. The potential Downpayment Assistance Payment amount is $7,200.00.

<table>
<thead>
<tr>
<th>Actual Downpayment Assistance Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price of Replacement Home</td>
</tr>
<tr>
<td>Closing Costs</td>
</tr>
<tr>
<td>Total Cost of Replacement</td>
</tr>
</tbody>
</table>

Potential Downpayment Assistance Payment of $7,200.00 is less than the Total Cost of the replacement home. Therefore, the displacee is eligible to claim the full amount of $7,200.00 as Downpayment Assistance, to be paid toward the principal of $50,000 and the $3,000 in eligible closing costs.

The prior example shows a situation where the cost of the replacement home exceeds the maximum Downpayment Assistance Payment. It is possible, however that the Rental Assistance determination (or more likely, the Tenant Last Resort Housing determination) amount is higher than the Total Cost of the replacement home that is purchased. In that case, the Downpayment Assistance Payment will be limited to the actual cost that is calculated.
The following example illustrates a payment calculation when the cost of the replacement home does not exceed the potential Downpayment Assistance entitlement that is available:

**Potential Rental Assistance Entitlement for Low Income**

- Rent and Utilities for a comparable dwelling: $864.00
- 30% of Income: - $400.00
- Monthly Difference: $464.00

- Monthly Difference: $464.00
- 42 months: x 42
- Potential Rental Assistance Entitlement: $19,488.00 (Last Resort Housing)

**Potential Rental Assistance Entitlement determination exceeds the minimum Downpayment Assistance Payment amount of $7,200.00. The potential Downpayment Assistance Payment amount is $19,488.00.**

**Actual Downpayment Assistance Payment**

- Price of Replacement Home: $15,000.00
- Closing Costs: + $2,000.00
- Total Cost of Replacement: $17,000.00

Potential Downpayment Assistance Payment of $19,488.00 exceeds the Total Cost of the replacement home. **Therefore, the displacee is eligible to claim $17,000.00 as the amount paid for the Total Cost of the home for Downpayment Assistance, to be paid toward the principal of $15,000 and the $2,000 in eligible closing costs.**
SPECIAL TOPICS IN HOUSING ENTITLEMENTS

The nature of the relocation program is that every situation is different. Often times, it is prudent to explore a creative solution that is still within the bounds of Federal, State and local regulations. The following options can be used when the standard methods do not present a satisfactory solution.

LAND CONTRACT FOR REPLACEMENT HOUSING

Any displacee making a claim for a Replacement Housing Payment based on purchasing a replacement home through a Land Contract must provide documentation of the contract and of proof of prior ownership. A title search will be required as well.

LAST RESORT HOUSING

GENERAL DEFINITION AND USE

The Last Resort Housing provisions of the Uniform Act were designed to assure that comparable replacement housing could be made available to a displaced person when such housing could not otherwise be provided within the person's financial means. With the issuance of the government wide common rule in 1986, Last Resort Housing provisions became a part of the regulations. In the 1987 amendments to the law, Congress strengthened the Last Resort housing provisions and required justification on a case-by-case basis.

The Uniform Act states in Section 206(a) that:

The head of the displacing agency may take such action as is necessary or appropriate to provide such dwelling by use of funds authorized for such project...and may use this section to exceed the maximum amounts which may be paid...on a case-by-case basis for good cause...

There are three (3) main characteristics that distinguish Last Resort Housing from regular provisions for replacement housing:

1. **Monetary Limits** – There are no prescribed monetary limits when using Last Resort Housing. The normal program limits of $31,000.00 for owners and $7,200.00 for tenants do not apply. Last Resort Housing is also available to occupants of less than 90 days or to any person legally in occupancy on a parcel on the date of acquisition. The monetary limits are based on the market availability of comparable housing affordable to the displaced person not exceeding 30% of his or her gross income from all sources or available at the same price as the displacement dwelling, whichever is greater. Once Last Resort Housing has been determined to be necessary, the State may spend...
whatever is necessary to provide the needed housing. This does not mean that the State is not constrained by the overall need to conserve public funds by assuring cost-effective solutions. The State should always look at a variety of options before it decides to make a large relocation payment of any kind or involve itself in a costly or time consuming solution.

2. **Administrative Procedures** – The use of Last Resort Housing is outside the scope of regular relocation activity and requires a special need determination. This process is usually quite simple. When the State makes the determination that there is a reasonable likelihood that the project cannot be advanced to construction and completion in a timely manner because comparable replacement housing is not available to displaced person(s), the State may, on a case-by-case basis and for good cause, be authorized to take additional measures to provide the necessary housing. If there is a general lack of availability of replacement dwellings for displaced persons, the “good cause” can be for the project rather than individual cases.

3. **Method** – Last Resort Housing enables the State to take direct action in the housing market by constructing new homes, building additions to existing homes, rehabilitating existing homes, developing special financing arrangements, etc. In contrast, the regular relocation program limits the use of existing housing units available on the market in determining Replacement Housing entitlements. The Last Resort Housing provisions permit the use of any method legal under State law that will resolve the housing problem in a cost-effective manner.

Last Resort Housing is used more frequently to resolve replacement housing problems when there is a unique housing need or when the cost of available comparable housing would result in payments in excess of the statutory payment limits of $7,200.00 or $31,000.00.

There have been very few projects in Indiana that have necessitated Last Resort Housing other than payments exceeding the maximum Replacement Housing Payments provided by law.

The following generalizations can be made about the use of Last Resort Housing:

1. Personal circumstances such as age, health, family size, etc. influence the need for Last Resort Housing

2. The need for Last Resort Housing cuts across economic lines

3. The use of Last Resort Housing may involve a single case on a project

4. Where more than one case occurs on a project, these occurrences are generally due to unrelated circumstances
CONDITIONS REQUIRING HOUSING OF LAST RESORT

Last Resort Housing is necessitated by three broad classes of circumstances:

1. Displaced persons with needs for specialized or unusual housing that are not readily found in the housing market

2. Shortages or competing demands for housing which increases prices or limits the supply of units available to displaced persons

3. Displaced persons failing to meet the length of occupancy requirements

The open-ended nature of possible Last Resort Housing alternatives makes it impossible to provide an exhaustive list of conditions for its use. One way to illustrate how the program may be used is to consider the wide range of justifications for actual cases. The following list summarizes some of these basic situations or circumstances that may require the use of Last Resort Housing:

1. Displacement dwelling has 5 bedrooms. No comparable available on market within regular payment limits.

2. Large family size; few four and five bedroom homes available on the market.

3. Displacement dwelling is in area that has few properties available for sale.

4. Displacement dwelling is in area with rapidly escalating prices. Comparable dwellings within usual payment limits are no longer available.

5. Low-income family paying modest rent for a substandard unit.

6. Displaced person who uses a wheelchair needs a house that can accommodate a wheelchair, i.e. wide doors, special kitchen and bathroom facilities. Last Resort Housing funds can be used to make a home available that already has these features, or, if none are available, to make modifications to an otherwise comparable home.

7. Elderly person displaced from a small shed with no heat or utilities where he/she paid no rent and has income only from Social Security.

8. Emergency room nurse who needs to be within 15 minutes of the hospital as a condition of employment. No comparable dwelling is available within that critical radius and the financial means.

9. Family that needs an isolated yard to accommodate the needs of their child that has an emotional/behavioral disability. None is available within regular benefit limits.

10. Family with a poor credit rating that cannot find a landlord willing to rent to them.
11. Elderly person who is dependent on a relative living nearby for care and living needs. The only available housing was priced too high for regular payment limits.

12. Tenants of less than 90 days whose income is considered “low income” based on the HUD schedule and are unable to afford replacement housing because the cost of all available housing exceeded thirty percent of the tenant’s income.

13. For others, the calculation will be rent to rent.

METHODS USED TO PROVIDE HOUSING OF LAST RESORT

Innovation and broad latitude in the choice of methods should be encouraged in the implementation of Last Resort Housing. This program is intended to respond to unique and unusual housing needs. In many cases, the best solution may be the one that does not fit a common mold. The methods of providing Last Resort Housing include but are not limited to:

1. Payments in excess of the statutory limits
   Payments in excess of the statutory limits of $31,000.00 and $7,200.00 may be made in lump sum or installment payments.

2. Removal of accessibility barriers for a person with disabilities
   The State may also remove accessibility barriers and construct special physical structures such as wheelchair ramps.

3. New construction
   The State may build new housing to be rented or sold to displaced persons at prices within their financial means.

4. The relocation of an existing dwelling
   The State may physically move a dwelling to a location beyond the newly acquired Right of Way. This venture tends to be very expensive but depending on the situation may be the most cost effective means available to the displacee.

5. Purchase, rehabilitation, or additions to an existing dwelling
   The State may purchase an existing house, make any necessary repairs, and add rooms as necessary to make an existing house usable as a replacement dwelling. The house may be sold or rented to the displaced person.

There are innumerable variations that can be used to provide replacement housing under the Last Resort Housing provisions. Last Resort Housing should be considered a useful administrative
tool that can provide freedom from usual procedural constraints. It is a tool that invites innovation and creativity to solve unique or difficult replacement housing problems.

**CONSIDERATIONS WHEN UTILIZING LAST RESORT HOUSING**

The cost-effective use of Last Resort Housing requires the exercise of sound judgment. The following paragraphs describe various items that should be considered when utilizing Last Resort Housing.

1. The funds that the State authorizes for Last Resort Housing are to provide housing for a displaced person. Last Resort Housing is a program characterized by large payments justified by a need for comparable housing that is costly to meet. The opportunity for the displaced person to utilize the funds for anything other than replacement housing should be minimized to the extent possible.

2. Investigate the desires, needs, and intentions of the displaced person before deciding on a Last Resort Housing method. In depth interviews should be conducted before planning replacement housing solutions. There may be several alternatives available for one or a group of displaced persons. Do not make assumptions about the acceptability of a particular housing alternative until all of the options have been explored, and the feasible alternatives discussed with the displacee.

3. Coordination with other agencies able to provide assistance and opportunities for cooperative agreements should be explored. Local housing may be in a better position to provide and manage replacement housing situations than the State. Last Resort Housing projects may be contracted to other agencies for management as well as construction. However, the State retains responsibility for the successful outcome of the relocation.

4. If appropriate and with the concurrence of the displaced person, consideration may be given to using a Last Resort Rental Assistance Payment to assist in making a downpayment for replacement housing.

5. All feasible housing proposals should be discussed with the displaced person before proceeding with the plan the displacee selected. The written consent of the displaced person to accept a housing proposal should be secured before the plan is implemented. In the absence of such a written agreement, the potential exists for a substantial expenditure of funds to accomplish housing, which the displaced person may be unwilling to accept and occupy.

6. Consideration should be given to the community impact of any housing solution. For instance, it may better serve the public for an existing house to be rehabilitated than for a new house to be constructed nearby. Rehabilitation could serve two goals: removal of a blighting influence and re-housing the displaced person. However, remember that the initial concern is furnishing comparable DS&S housing to the displaced person.

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7. Do not limit consideration of housing solutions to those with minimum administrative involvement. People who are displaced often have unique needs. Housing solutions may have to be creative and individualized to meet those needs. Merely providing the displaced person with more money to spend on housing may be administratively simple, but this method may be more expensive than other housing solutions. It only addresses the specific need of higher cost while other needs go unassisted if they are present.

8. Last Resort Housing should be used only after all relocation benefits and services provided in the Uniform Act have been determined inadequate to meet the needs of the displacee. Last Resort Housing should not be a substitute for lack of lead-time or inadequate relocation advisory services. Some Right of Way Agents may tend to postpone contacts with displaced persons whose needs are more difficult to meet, i.e. large families, or a person with disabilities needing a one-story replacement unit. The use of Last Resort Housing to shore up an inefficient relocation program is wasteful and is perceived as inequitable by persons not receiving Last Resort Housing benefits.

9. Make every attempt to identify potential Last Resort Housing cases early. Knowing that Last Resort Housing is a possibility may focus attention on a case early enough to enable the State to resolve the problem by intensifying the relocation assistance provided. Also, if the need for Last Resort Housing is later confirmed, the advance planning will provide sufficient time for the State to consider a broad range of Last Resort Housing alternatives.

10. Be aware that the personal circumstances of a displaced person can change after relocation into Last Resort Housing. A subsequent move may be necessary due to a job opportunity in a distant location, a family illness, loss of employment, or other similar reasons. The Last Resort Housing method should not freeze a person into a dwelling. On the other hand, the State cannot incur additional costs to subsidize a subsequent move that is not project related. To the extent feasible, the State should be willing to make benefits transferable.

11. Although it is not required, a plan should be developed that defines the needs of the displaced persons, the method of providing the necessary housing, and an explanation of the level of funding necessary. The plan is a guide for action. It can protect the program from manipulation and later charges of "making up the rules as we go along."

Replacement Housing of Last Resort should be considered during the relocation planning process for any project with displaced persons who cannot be moved using the regular program benefits and procedures. Early planning as well as early contact of affected displaced persons should be emphasized when Last Resort Housing is being considered on a project. Lead-time may be needed to complete the plan and avoid costly delays.
LAST RESORT HOUSING PROCEDURES

Applicability

It is the Right of Way Agent’s responsibility to make available a comparable replacement dwelling to enable displaced persons to relocate to their original occupancy status, i.e. tenant to tenant or owner to owner. If a change in occupancy status is desired by the displacee, that should be documented, and the Agent will be expected to make a reasonable effort to accomplish the request just as in referrals under advisory assistance. If the optional housing is available, any Rental or Downpayment Assistance Payment (RAP or DAP) will be based on the specified option and computed accordingly when it is more cost effective to do so than computing a payment based on same occupancy status. In such a requested change of occupancy status, the replacement dwelling must adequately meet the needs of the displacee, but the same comparability to the displacement dwelling that is expected for the original occupancy status is not required. However, the replacement dwelling must be functionally equivalent.

A displacee cannot be required to move from his dwelling unless at least one comparable replacement dwelling is made available to him or her. The State will take additional Last Resort Housing measures when it determines that there is a reasonable likelihood that the project will not be able to proceed to completion in a timely manner because no comparable replacement dwelling will be available on a timely basis to the person(s) being displaced. However, the Last Resort Housing provisions described herein shall not deprive any displaced person of any rights the person may have under the Uniform Act or applicable FHWA regulations. The State shall not require any displaced person without that person's written consent to accept a dwelling provided by the State under these Last Resort procedures in lieu of any acquisition payment or any relocation payment for which the person may otherwise be eligible.

Price Differential Payments In Excess of $31,000.00

The 90-day owner is eligible for a Replacement Housing Payment which may consist of a Price Differential Payment, Mortgage Interest Differential Payment, and reimbursement of Incidental Expenses (Closing Costs, etc.). When the sum of these items is estimated to exceed $31,000.00, the Last Resort Housing provisions are applicable.

Reimbursement of closing costs and debt service fees paid out-of-pocket will usually be paid directly to the displacee. The entire balance of payments not paid directly to the displacee will be applied towards the purchase of the replacement dwelling unless the State determines otherwise.

Rental Assistance Payments in Excess of $7,200.00

When a Rental Assistance Payment is expected to exceed the $7,200.00 maximum, the Last Resort Housing provisions are applicable. Last Resort Housing Rental Assistance Payments in excess of $7,200.00 will usually be paid in lump sum. However, at the State's discretion, they
may be paid on an installment basis. The consent of the displacee and landlord is required before payment to an escrow account is selected.

Payment to a Third Party

Payments made under the Last Resort Housing provisions will usually be a direct payment to the displacee. When the State considers it prudent and in the public interest, the State may authorize a payment to a third party as a co-payee with the displacee as the payee, e.g. landlord, seller, lending institution, etc. The Right of Way Agent will provide written explanation in the file of the reasons whenever the Acquisition Manager approves a Last Resort Housing payment that is not paid directly to the displacee and/or a Rental Assistance Payment paid in installments.

DOCUMENTATION AND APPROVAL FOR LAST RESORT HOUSING

Prior to discussing a Last Resort Housing determination with a displacee, the Right of Way Agent must obtain pre-approval through the Reviewer by submitting a Residential 90-Day Notice Pre-Approval packet based on the page found in the Relocation Assembly Manual. This page notes that additional information will be required – these requirements are as follows.

Justification for Last Resort Housing should be given when:

1. Comparable replacement housing is not available for the displaced person; or

2. Comparable replacement housing is available, but the computed entitlement exceeds the maximum amounts of $31,000.00 for residential owner-occupants (LRH-O) and $7,200.00 for residential tenant-occupants (LRH-T).

The Relocation Assembly Manual page for Rental Assistance and for Price Differential Payments both note that payments for Last Resort Housing require additional justification and documentation. Right of Way Agents will be required to provide a written justification in a Right of Way Agent’s Report (see Online Forms, RAAP8) to include:

1. Length of time (dates and hours) spent searching for comparable housing

2. List of Real Estate agencies contacted or other resources used with dates

3. List of properties found, to include address and list price

4. Individual circumstances

5. Time frame for project letting if applicable

6. Discussion of properties that were not used and the reasons that they did not meet the requirements for comparable housing.
Right of Way Agents will be required to demonstrate consideration of the following criteria:

1. For approval on a case-by-case basis, Last Resort Housing must be adequately justified for good cause, which means that appropriate consideration has been given to:
   a. The availability of comparable replacement housing in the program or project area
   b. The resources available to provide comparable replacement housing
   c. The individual circumstances of the displaced person

2. For approval of Last Resort Housing for an entire project area, evidence must be submitted to support a determination that:
   a. There is little, if any, comparable replacement housing available to displaced persons within an entire program or project area; and, therefore, Last Resort Housing assistance is necessary for the area as a whole
   b. A program or project cannot be advanced to completion in a timely manner without Last Resort Housing assistance
   c. The method selected for providing Last Resort Housing assistance is cost effective, considering all elements which contribute to total program or project costs. By waiting for less expensive comparable replacement housing to become available it will be justifiable and cost effective in delaying a project

**MOBILE HOMES**

Mobile homes present one of the most complex and difficult situations with which displacing agencies must cope. Mobile homes differ from conventional housing in that their status as real or personal property varies from parcel to parcel. Also, in a mobile home situation, there may be a separation between the dwelling and the site it occupies which is not present with a conventional dwelling. For example, one may own a mobile home but rent its site or vice versa.

These differences present the displacing agency with two general problems. The first involves a decision it does not have to make with conventional housing -- whether to acquire or move the dwelling from which displacement occurs. The second is a major increase in the complexity of determining the relocation payments for which the displaced person is eligible.

In addition, mobile homes typically will have a disproportionate number of low income, elderly, and other occupants who may be difficult to relocate successfully. For all these reasons, dealing with mobile home moves will require the maximum in planning, preparation, patience, and assistance.

Lastly, finding comparable replacement housing for a mobile home occupant can be complicated because there are so many variables to consider. Some mobile homes cannot be moved safely. Some can be moved safely, but are too old to be accepted in another mobile home park. Rents and utility allowances can be drastically different from park to park. Some mobile home parks
are for people who are 55 or older and will not allow families with children. If a mobile home is set up to use natural gas for heat, it may be difficult to find a park that will have natural gas available – many parks are all electric or only allow propane as fuel. The Right of Way Agent should collect all information pertinent to these variables before discussing what types of entitlements will be provided.

As noted above, moves from mobile homes present two special problems, a decision on whether to acquire or move the mobile home and increased complexities concerning relocation payments. These problems, in turn, are affected by three basic considerations:

- Realty vs. Personalty,
- Mobile Home vs. Site, and
- Owner vs. Tenant.

**REALTY VS PERSONALTY**

The determination of a mobile home status as realty or personalty governs the type of eligible relocation entitlements. In general, there are fewer problems associated with acquiring a mobile home as realty if the owner-occupant of the mobile home also owns the site.

If the mobile home is realty, it will be appraised in the same manner as other real property. The acquisition price of the mobile home and the site will be used as the basis for computing the Replacement Housing Payment for the owner-occupant.

If the mobile home is not acquired because it is considered personalty and is relocatable, the owner is entitled to reimbursement of the cost to move the mobile home. An owner-occupant will be reimbursed for the cost to move the mobile home, but will not be entitled to a Replacement Housing Payment for the mobile home. However, he or she may be eligible for a Replacement Housing Payment for an appropriate replacement site if the site was purchased for the project.

A whole new set of circumstances is introduced if the owner-occupied mobile home is considered personalty, but the State can determine it cannot be moved because of the following:

1. The mobile home is not and cannot economically be made decent, safe, and sanitary because it is structurally unsound, inadequate in size to accommodate the displaced person(s), or does not meet code requirements
2. The mobile home cannot be moved without substantial damage or unreasonable cost
3. There are no available comparable sites for the mobile home (size, available utilities, distance to work, etc.)
4. The mobile home is decent, safe, and sanitary, but mobile home park entrance requirements require extensive modifications that are not reasonable
5. The mobile home cannot be relocated because it does not meet mobile home park entrance requirements.

6. Other circumstances deemed reasonable by the Relocation Supervisor.

If the mobile home is considered personalty, but cannot be moved because of the above circumstances, the State may purchase the mobile home and use the purchase price as a base for determining the Replacement Housing Payment. If the State does not purchase the mobile home, the salvage value or trade-in value of the mobile home, whichever is higher, shall be used as the acquisition cost of the mobile home for purposes of computing the Replacement Housing Payment.

Mobile homes considered personalty should not be difficult to move if they are in good condition and replacement sites are available. If a mobile home needs repairs, modifications or correction of certain DS&S standards, and the State decides the costs would be reasonable, then the costs of such repairs would be reimbursable as a moving related expense. This would need to be pre-approved by the INDOT Central Office Relocation Supervisor and/or Acquisitions Section Manager.

If an owner-occupant disagrees with the State's determination that a mobile home can be relocated and refuses to move and re-occupy the mobile home, the State may use as cost of a comparable mobile home, the sum of any of the following:

1. The value of the mobile home
2. The estimated cost of any necessary repairs or modifications
3. The estimated cost of moving the unit to replacement site
4. Any necessary related expenses

The displaced persons will be responsible for removing the mobile home from the project site. If the mobile home is abandoned in place, the State may remove it in accordance with State law.

The situation noted above could best be explained by example. A displaced person who owns a mobile home with an oil-fired furnace is denied admittance to a replacement mobile home park because the park will not allow the necessary outside oil tank. The State could convert the mobile home's heating system to gas and move the mobile home for a reasonable cost. The modified mobile home provided to the displaced person will be a DS&S comparable in accordance with the regulations.

**MOBILE HOME VS SITE**

As discussed above, mobile homes, unlike their conventional counterparts, may be separated from their sites, i.e., one may own a mobile home but rent its site, or vice versa. Thus it is useful to think of a mobile home move as consisting of two parts, one that deals with the mobile home
itself, and one that deals with the site. Fortunately, in terms of the decision whether to acquire or move, one part is simple to think about. The site is always considered acquired.

However, for the mobile home (dwelling) part of the move, the matter becomes somewhat more complicated because a mobile home may be either acquired or moved. This decision will be influenced by a number of factors, including state law.

There are four distinct possibilities. Since a mobile home move often has two distinct parts, the mobile home itself and the site, it often is necessary to compute two separate Replacement Housing Payments. For example, these payments might each reflect a different status (owner or tenant), since a person might own the mobile home but rent the site or vice versa.

**OWNER VS TENANT**

As in conventional homes, Replacement Housing Payments (RHP) for persons displaced from mobile homes differ, based on their status as a homeowner or tenant. **For RHP purposes, the occupant's status as an owner or a tenant is determined by his/her ownership or tenancy of the mobile home itself, not of 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 an RHP of $31,000.00. Conversely, an occupant who owns the site but rents the mobile home is a tenant for RHP purposes and is eligible for an RHP not to exceed $7,200.00. The computation of actual payments is discussed below. Any amount over these respective limits must be justified under Last Resort Housing.

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

**MOBILE HOME HOUSING ENTITLEMENTS**

The Entitlement Letter and 90-Day Notice form RAAP17a should be used when notifying a mobile home resident-displacee. Depending on ownership/tenancy and personalty/realty, it is possible that the tenant and owner versions of the Comparable Properties for Replacement Housing (RAAP14 & 14a) and the RHP Computation – 90-Day Owner / RAP-DAP Worksheet (RAAP15 & 15a) will all be used to determine the entitlements.

**Ownership / Tenancy Requirements.**

Ownership or tenancy of the mobile home determines the occupant's status as an owner or a tenant, not the site upon which it is located. The length of time the mobile home has been located on the displacement site prior to the initiation of negotiations determines the occupant's status as a 90-day owner, or a 90-day tenant.
90-Day Owner-Occupants

A displaced owner-occupant who has owned and occupied a mobile home on the displacement site for at least 90 days immediately preceding the initiation of negotiations for the acquisition of the mobile home and/or the site is entitled to a Replacement Housing Payment. Such an owner-occupant will be computed for a replacement mobile home and site, or a conventional dwelling if DS&S comparable mobile homes and sites are not available.

An alternate payment for Rental Assistance may be selected by the owner-occupant. The computed payment would be limited by the amount set by the potential Price Differential entitlement determination. This determination is limited to $31,000.00 unless Last Resort Housing is justified.

If the mobile home is realty and is to be acquired, it will be appraised to determine its value and the acquisition price for the mobile home and its site may be used as the basis for computing the Price Differential portion of the payment.

Sometimes the mobile home is considered personalty, but the acquiring agency determines it cannot be moved because:

1. The mobile home is not and cannot economically be made decent, safe, and sanitary because it is structurally unsound, inadequate in size to accommodate the displaced person(s), or does not meet code requirements

2. The mobile home cannot be moved without substantial damage or unreasonable cost

3. There are no available comparable sites for the mobile home (size, available utilities, distance to work, etc.)

4. The mobile home is decent, safe, and sanitary, but mobile home park entrance requirements require extensive modifications that are not reasonable

5. The mobile home cannot be relocated because it does not meet mobile home park entrance requirements

6. Other circumstances deemed reasonable by the Relocation Supervisor.

90-Day Tenants

A displacee who has rented and occupied a mobile home on a displacement site for 90 days or more immediately preceding the initiation of negotiations for the acquisition of the mobile home and/or the site is also entitled to a Replacement Housing Payment not to exceed $7,200.00 for Rental Assistance or Downpayment Assistance. Any amount over $7,200.00 must be justified under Last Resort Housing.
If the tenant-occupied mobile home is to be relocated, the tenant may elect to remain a tenant in the subject mobile home at the replacement site. If so, he/she may be eligible for a Rental Assistance Payment providing the mobile home is decent, safe and sanitary and there is justifiable increase in the rent at the replacement site. However, the payment may not exceed the State's computation for a potential Rental Assistance entitlement based on a comparable mobile home and site.

The displaced person may also be eligible for a Downpayment Assistance Payment to purchase a replacement mobile home and site, or a conventional dwelling based on the DS&S replacement property actually purchased and occupied. The total down payment may not exceed $7,200.00 for mobile home and site or conventional dwelling. If the potential Rental Assistance entitlement determination qualified for Last Resort Housing, the Downpayment Assistance Payment would be limited to that determination. The entire Downpayment Assistance Payment must be applied to closing costs and/or principal reduction for the purchase of the replacement home.

The basic Replacement Housing Payment computed for the 90-day tenant will be a Rental Assistance Payment for a replacement mobile home and site and a replacement mobile home site, or a conventional dwelling if no comparable mobile homes and/or sites are available.

*Owner or Tenant of Less than 90 Days*

A displaced person who has occupied a displacement dwelling for less than 90 days prior to the initiation of negotiations is not eligible for a Replacement Housing Payment under the Uniform Act. However, they may be eligible for a Replacement Housing Payment provided as a Last Resort Housing Payment, providing comparable DS&S replacement properties are not within their financial means and there is an increase in rent necessitated by the occupancy of a comparable replacement property. Only Tenant displacees will be given consideration of the Financial Means Test and 30% Rule.

*Replacement Housing Entitlements for Owners of Mobile Homes as Personal Property*

An owner-occupant of a displaced mobile home classified as personal property and not acquired by the displacing agency may be reimbursed for moving and related expenses on an actual cost basis, providing the agency determines the costs are reasonable and necessary. If an owner-occupant is reimbursed for the cost of moving the mobile home and any necessary related expenses, he/she is not eligible to receive a RHP for the mobile home itself. However, he/she may be eligible for a RHP in connection with the rental or purchase of a replacement site, depending upon the length and type of occupancy on the displacement site.

A non-occupant owner of a displaced mobile home that is not acquired may be reimbursed for the actual cost of moving the mobile home from the site based on moving cost findings or estimates, documented self-move, or a commercial move. The use of business move procedures is proper in such a case because the mobile home is personally used for a business. Since the owner in this case is not an occupant, there is no eligibility for a Replacement Housing Payment.
Replacement Housing Payment Computations

Replacement Housing Payment computations for person displaced from a mobile home are usually comprised of a computation for a comparable mobile home and a computation for a comparable mobile home site.

The first step is to compare the value of the displacement mobile home to the cost of a comparable mobile home and compute a Replacement Housing Payment entitlement or a rental assistance entitlement depending upon the ownership or tenancy of the mobile home occupant.

The second step is to compare the displacement site to a comparable replacement site and compute a potential Price Differential entitlement, or a potential Rental Assistance entitlement, depending upon the ownership or tenancy of the mobile homesite.

If the displaced person owns both the mobile home and the mobile home site, the Right of Way Agent should endeavor to locate a mobile home on a site as a unit for comparison purposes, similar to the comparison of conventional dwellings. (see examples)

Mobile Home to Conventional Dwelling

There will be some cases when a displaced mobile home owner-occupant will prefer to purchase and relocate to a conventional dwelling. When this occurs, the potential Price Differential entitlement computation will be based on a comparable mobile home and site (see examples for a more detailed discussion and a sample computation for a mobile homeowner who purchases a conventional dwelling).

Conventional Dwelling to Mobile Home

Occasionally, a 90-day owner who occupies a conventional dwelling may decide to purchase a mobile home and site or to rent a replacement site. The Replacement Housing entitlement would be computed in the usual manner using a conventional dwelling.

If the displaced person purchases a DS&S mobile home and site, he or she can receive a Price Differential Payment up to the amount of the computed entitlement plus Incidental Expenses (closing costs, etc.) and a Mortgage Interest Differential Payment. This total amount may not exceed $31,000.00. Any amount over $31,000.00 must be justified through Last Resort Housing. (see examples)

Replacement Housing Payment for a Site Only.

A Replacement Housing Payment for an owner-occupant who is reimbursed for the cost of moving his or her mobile home will be computed for a replacement site. The computation for 90-day owner-occupant cannot exceed $31,000.00 for a site comparable to the displacement site, but both the mobile home and mobile home site must be considered when computing the Replacement Housing Payment. Any amounts over this limit would need to be justified under Last Resort Housing. (see examples)
Replacement Housing of Last Resort

Replacement Housing of Last Resort should be utilized when

1. Comparable replacement housing is not available for the displaced person

2. Comparable replacement housing is available, but the computed entitlement exceeds the maximum amounts of $31,000.00 for 90-day owner-occupants and $7,200.00 for 90-day tenants.

3. Comparable DS&S replacement properties are not within financial means for owner or tenant of less than 90 days and there is an increase in rent necessitated by the occupancy of a comparable replacement property.

MOVING COSTS AND RELATED EXPENSES

Any displaced person who owns and/or occupies a mobile home located on the property required for the project is entitled to reimbursement of moving costs and related expenses for moving the mobile home if it is considered personal property or for moving the contents of the mobile home if the mobile home, itself is not moved.

Owner-Occupants of Mobile Homes Classified as Personalty

The owner-occupant of a displaced mobile home classified as personal property and not acquired by the State may be reimbursed for reasonable and necessary moving and related expenses. A licensed mover in Indiana must move mobile homes. Therefore, the cost of moving a mobile home will be reimbursed on an actual cost basis.

The following expenses may be eligible for reimbursement:

1. Moving the mobile home and other personal property. Moving expense is generally limited to a 50-mile radius unless the State determines that a move in excess of 50 miles is justified

2. Packing, crating, moving, unpacking, and uncrating personal property. If the mobile home owner-occupant performs these services, the State may, at its discretion, pre-establish a reasonable amount for reimbursement of these expenses instead of requiring documentation through use of the moving cost schedule

3. Disconnecting and reconnecting household appliances

4. The reasonable cost of disassembling, moving, and reassembling any attached appurtenances such as porches, decks, skirting and awnings which were not acquired, plus the cost of leveling the mobile home, anchoring the mobile home, and utility hookups
5. The cost of repairs or modifications to enable a mobile home that is considered personalty to be moved and/or the costs necessary to make the mobile home decent, safe, and sanitary, providing the State determines the cost is reasonable and economically feasible

6. The cost of insurance for the replacement value of the mobile home and other personal property being moved during the move

7. 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/her agent, or employee(s), when insurance covering such loss, theft, or damage is not reasonably available

8. A non-returnable mobile home park entrance fee is also reimbursable as part of the moving cost provided that the fee does not exceed the fee charged at a comparable mobile home park. The State must also make the determination that payment of the entrance fee is necessary in order to relocate the mobile home

9. Transportation costs of mobile home occupants to the replacement site

10. Temporary lodging (including meals) for displaced mobile home occupants while a mobile home is being relocated and reestablished at a replacement site. Temporary lodging is to be used only for a short period of time and payment should be based on costs that are reasonable and necessary. This option must be pre-approved before discussing it with the displacee(s)

11. Other related moving expenses that the State determines to be reasonable and necessary which are not listed as ineligible under the Uniform Regulations

Non-Occupants of Mobile Homes Not Acquired as Realty

A non-occupant owner of a displaced mobile home that is determined to be personalty and is not purchased by the State may be reimbursed for the cost of moving the mobile home. A licensed mover in Indiana must move mobile homes. Therefore, the cost of moving a mobile home will be reimbursed on through a Professional Mover or Actual Cost procedure. Since the owner in this case is not an occupant, there is no eligibility for a Replacement Housing Payment.

Tenant-Occupants of Mobile Homes

A tenant-occupant of a displaced mobile home may be reimbursed for moving his/her personal property on an actual cost basis or on the basis of the moving expense schedule. The moving expense allowance depends on the number of rooms of furniture and whether the mobile home is rented furnished or unfurnished.
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.

**EXAMPLE SITUATIONS FOR MOBILE HOMES**

There are many variations in payment and benefit computations for mobile home owners and occupants. These variations are generally considered to be unique and would normally only apply to mobile homes. However, they could also apply to boats or other "detachable" structures used as dwellings. The following example computations demonstrate some of the various payments for which mobile home occupants may be eligible. As a reminder, any time an owner-occupant relocates a mobile home not purchased for the project because it is considered personalty, he or she is entitled to the cost of moving that mobile home to the replacement site. This payment is in addition to the Replacement Housing Payment for the site.

The next few pages show common mobile home scenarios and how to calculate the related entitlements.
Replacement Housing Payments for 90-Day Owner-Occupants

EXAMPLE 1 – Owns Home / Owns Site / Home is Realty

The displaced person owns the mobile home and site. The mobile home is considered realty and the State will be acquiring both the mobile home and the site.

Since the displaced person owns both the mobile home and the site, the Right of Way Agent should try to locate comparable mobile homes and sites for sale as one unit to use for computing the Price Differential entitlement. If such comparables are not available, an alternative could be to compare the subject mobile home to comparable mobile homes and the subject mobile home site to comparable mobile home sites, then combine the two computations for the RHP entitlement.

If comparable mobile homes and sites are not available, it may be necessary for the Right of Way Agent to compute the RHP entitlement using a larger or more expensive mobile home and site or a conventional dwelling and lot.

Cost of Comparable Mobile Home $18,000
Displacement Mobile Home Price - $14,000
Home Price Differential Entitlement $4,000

Cost of Comparable Mobile Home Site $5,000
Displacement Site Price - $4,000
Site Price Differential Entitlement $1,000

Potential Price Differential Entitlement for Mobile Home and Site ($4000 plus $1000) $5,000

The displaced person may be eligible for a Replacement Housing Payment including a Price Differential Payment to purchase a decent, safe, and sanitary replacement mobile home and a replacement site, Incidental Expenses for purchase, and a Mortgage Interest Differential Payment. The displaced person may also purchase or rent a conventional dwelling instead of a mobile home if he or she wishes. The maximum Price Differential Payment will be $31,000.00 for a purchased replacement dwelling (and site). Any amount over $31,000.00 will need to be justified under Last Resort Housing.

If the replacement is rented, a Rental Assistance Payment will be computed based on economic rent and limited to the potential Price Differential entitlement determination.
EXAMPLE 2 – Owns Home / Owns Site / Home is Personalty

The displaced person owns the mobile home and site, but only the site is being acquired. The mobile home is considered personalty and will be moved to a replacement site.

In this case the displaced person may be eligible for a Price Differential Payment not to exceed $31,000.00 to purchase a replacement site. Any amount over $31,000.00 must be justified under Last Resort Housing.

If the displaced person elects to rent a replacement site instead of purchasing, the Rental Assistance Payment will be based on the economic rent of the displacement site and computed in the usual manner for a 42-month period. The Rental Assistance Payment will be limited to the amount determined for the potential Price Differential entitlement.

If a comparable replacement mobile home site is not available, the State may determine that the mobile home cannot be relocated, and the RHP entitlement will be computed in accordance with the Replacement Housing Payment section of the regulations for conventional dwellings using the salvage value or trade-in value, whichever is higher, of the mobile home as the acquisition price and the acquisition price of the site. If the total RHP exceeds $31,000.00, replacement housing of Last Resort will be required.
Replacement Housing Payments for 90-Day Tenants

EXAMPLE 3 – Rents Home / Rents Site

The displaced person rents both the mobile home and site. The State will be acquiring the mobile home and site from the owner.

The displaced person may elect to rent a DS&S replacement mobile home and site or conventional dwelling. However, the rental assistance computation will be based on the monthly rent of the displacement mobile home and site as compared to a comparable mobile home and site in the usual manner for a 42-month period.

The person in this example may also decide to purchase a decent, safe, and sanitary replacement mobile home and site or a conventional dwelling and be eligible for a downpayment not to exceed $7,200.00. Any amount over $7,200 must be justified under Last Resort Housing.

In either case, the displaced person would also be eligible to receive a moving cost payment for moving his or her personal property from the mobile home and the mobile home site.

Changing Type of Housing for Replacement

Replacement Housing Payments for 90-Day Owner-Occupants Who Also Own the Site and Purchase a Conventional Dwelling

EXAMPLE 5 – Own Home / Own Site / Home is Realty

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Comparable Mobile Home</td>
<td>$18,000.00</td>
</tr>
<tr>
<td>Payment for Displacement Mobile Home</td>
<td>-$10,000.00</td>
</tr>
<tr>
<td>Potential Price Differential Entitlement for MH</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>Cost of Comparable MH Site</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>Payment for Displacement MH Site</td>
<td>-$6,000.00</td>
</tr>
<tr>
<td>Potential Price Differential Entitlement for MH Site</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Price Differential Entitlement for MH</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>Price Differential Entitlement for MH Site</td>
<td>+ $2,000.00</td>
</tr>
<tr>
<td>Total Potential Price Differential Entitlement</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Actual Cost of Replacement Conv. Dwelling</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>Actual Price Differential Payment</td>
<td>$10,000.00</td>
</tr>
</tbody>
</table>
Replacement Housing Payments for 90-Day Owner-Occupants of Conventional Dwellings Who Purchase a Mobile Home and Site.

EXAMPLE 6 – Own Conventional Home

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Comparable Replacement Property</td>
<td>$40,000.00</td>
</tr>
<tr>
<td>Payment for Displacement Dwelling and Site</td>
<td>- $35,000.00</td>
</tr>
<tr>
<td>Potential Price Differential Entitlement</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>DS&amp;S Mobile Home Purchased</td>
<td>$28,000.00</td>
</tr>
<tr>
<td>Set up charges on new lot</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Replacement Site (land)</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>Site Improvements (Pad/Driveway/Water/Septic)</td>
<td>+ $4,000.00</td>
</tr>
<tr>
<td>Total Replacement Cost</td>
<td>$41,500.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Replacement Cost</td>
<td>$41,500.00</td>
</tr>
<tr>
<td>Payment for Displacement Dwelling &amp; Site</td>
<td>- $35,000.00</td>
</tr>
<tr>
<td>Increased Cost of Actual Replacement Dwelling</td>
<td>$6,500.00</td>
</tr>
</tbody>
</table>

**Actual Price Differential Entitlement** $5,000.00

The actual Price Differential Payment in this example would be $5,000.00. As a residential owner-occupant in the displacement home, the displaced person would also be reimbursed for eligible incidental expenses and increased interest costs if any were actually incurred.

**MULTIPLE OCCUPANCY**

Multiple occupants of the displacement dwelling will be considered by the State to constitute one household. If two or more occupants of the displacement dwelling move to separate replacement dwellings, each occupant is entitled to a reasonable prorated share of all relocation payments that would have been made if the occupants had moved together to a comparable replacement dwelling.

This may happen in situations where a non-dependent adult lives with their parent(s) in the displacement home but decides to move to a separate replacement home. This may also happen in the case where a divorce occurs during the relocation process.

The State shall determine the prorated shares to which each person is entitled. A Right of Way Agent Report that details the split of the entitlements will be prepared and given to the displacees for their signature.

If the displacees are of the opinion that more than one household existed within the dwelling prior to displacement, it shall be the responsibility of the displacees to document the separate
existence of each. Examples of separation points might include separation of living quarters, ratio of private to shared living space, separation of utility charges or payments, separate entrances, separate and adequate sources of income, sufficient amounts of separately owned furniture, living arrangements in previous dwellings, etc.

The Relocation Supervisor will determine if separate households existed prior to displacement based on a review of the documentation submitted. If the State determines that multiple households existed, such occupants will be considered to have separate entitlements to all relocation payments. A comparable dwelling for each household would be based on the amount of private space that each household occupied separately in the displacement dwelling plus that space which was shared with the other household(s).

MULTIPLE OWNERSHIP

When several persons own a single-family dwelling and the dwelling is occupied by only one or some of the owners, special Price Differential procedures are necessary. In this case, the Price Differential will be the lesser of the total displacement price and the amount determined as necessary to purchase a comparable replacement dwelling OR the difference between the occupant(s) share of the displacement price and the actual cost of the replacement dwelling.

If the Price Differential entitlement were computed as the difference between the cost of comparable housing and only the occupant's share of the amount the State paid for the displacement residence, it would have the effect of providing a substantial windfall to the occupant(s). The displaced person(s) would become the sole owner of a comparable property in which they were only a partial owner before being displaced by the project.

The Price Differential entitlement should be computed in the usual manner by establishing the cost to a comparable replacement and deducting the amount paid for the displacement residence. This establishes the maximum Price Differential that can be claimed. In order for the displaced occupant who has partial ownership to claim the Price Differential entitlement, he or she must purchase a DS&S property costing at least as much as his or her share of the displacement residence plus the computed Price Differential Payment.
The displaced person owns a one-fourth share in a property of which he or she is the sole occupant. The acquisition price is $60,000.00, and the State has determined that it will cost $68,000.00 to purchase a comparable replacement property.

<table>
<thead>
<tr>
<th>Cost of Comparable Replacement</th>
<th>$68,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Displacement Price</td>
<td>$60,000.00 *</td>
</tr>
<tr>
<td>Potential Price Differential Entitlement</td>
<td>$8,000.00</td>
</tr>
</tbody>
</table>

*Incorrect to use $15,000.00 as Displacement Price

Computation of Partial Owner's Entitlement

| 1/4 Share of Displacement Price | $15,000.00 |
| Price Differential Entitlement  | + $8,000.00 |
| Purchase Price for Full Entitlement | $23,000.00 |

The displaced person can claim the $8,000.00 Price Differential entitlement if he or she purchases a DS&S replacement property costing at least $23,000.00. If the actual replacement property costs less than $23,000.00, the Price Differential Payment would be reduced accordingly. If the partial owner cannot secure the necessary financing, he or she may be relocated as a tenant and receive a Rental Assistance Payment.

SEASONAL HOMES

Seasonal home occupants will be eligible for moving entitlements only. Because they are not being displaced from their primary residence, they will not be allowed to claim a Replacement Housing Payment.
NON-RESIDENTIAL OCCUPANT ENTITLEMENTS

Businesses, nonprofit organizations and farms are not easy to move. They are all different; come in all shapes and sizes; employ one to thousands of people; can be retail, wholesale, manufacturers, or distributors; require no machinery or equipment or require massive equipment and machinery that requires building modifications; and enjoy different types of management. One is never like the next, even though they may appear similar. Moving a business is a real challenge for the displacee, the Right of Way Agent, the customers or clients, and for everyone else involved. It can also be enormously rewarding when it is completed.

In the Moving Entitlements chapter, all of the Moving and Related Expense reimbursements afforded to businesses, non-profits and farms are covered. However, there are several other factors that should be discussed separately. This chapter will discuss these factors in more detail.

The successful relocation of some businesses is hindered by internal limitations. Among these are:

1. Physical limitations of the owner or key employees due to age or disability

2. Lack of expertise or skill in meeting new management demands imposed by the move. Such demands could include generating new clientele, managing a larger inventory, and training an entirely new staff

3. Lack of funds needed to reestablish the business. Many small and some larger businesses generate only enough cash flow to support the present operation, and are not sufficiently capitalized to meet all the additional reestablishment costs that may be required

It is important to realize that business operators suffer the same sort of human limitations and inadequacies, as do persons displaced from residences, and are often in need of individualized assistance in moving. Businesses are a community resource in as much as they provide services, products, and employment, so more is at stake in their reestablishment than just the personal welfare of the owner/operator.

Many times, knowing which expenses can be reimbursed through the relocation program will help a displacee make an informed decision on which location to choose. It is important to have a good working knowledge of which types of projects and tasks can be considered eligible for reimbursement, and whether or not they can be covered through Moving and Related Expenses, which has no limit, or through Business Reestablishment, which is limited to $25,000.00.
EARLY PLANNING FOR SUCCESS

The time for avoiding problems is as early in the planning process as it is known that a business site will be affected by a project. If it is clearly known that a large business, i.e. a manufacturing plant, a large retail store, or the like, is to be acquired, the business should be contacted and advised of the potential acquisition and subsequent displacement. The participation of the business in early decisions may enhance the overall planning process and will definitely permit the business additional time to make plans. Many of the small businesses will also benefit by being well informed.

PERSONAL VS REAL PROPERTY

The planning that will take place with the involved businesses may cure future problems. The determinations of which items are realty, which are owned by the tenant, and which are personalty are basic to both the acquisition and relocation processes. Because these issues can be especially complicated with non-residential moves, the Right of Way Agent is required to accompany the Appraiser at the appraisal meeting to discuss personal/real property issues.

Reinstallation of such items as an advertising sign that should have been classified as real property and acquired as realty may be avoided. Personalty/Realty decisions are difficult and must often be made on a case-by-case basis with consideration given to State law and case law precedent after consultation with the owner. The Right of Way Agent will probably be confronted with items that are not feasible to move, items which can be moved only with substantial modification, or items that can be moved at an expense disproportionate to value.

Throughout the process, it is most appropriate for the business operator, the business or building owner, if different, and the State's appraisers, Right of Way Agents, and attorneys, when necessary, to participate in these discussions and the resultant determinations.

COMPLEX RELOCATIONS

All moves are complex to some extent, but some require elaborate planning and logistical expertise. When working with a business, non-profit, or farm relocation that will have unique needs, it is important to gather as much information as possible from the beginning and to maintain excellent communication with the displacee(s), their representatives, and the Reviewer so that all complications can be anticipated and avoided. Successful Right of Way Agents use many tools to help organize the process:

- Copious photographs of inventory and major features
- Detailed inventory table
  - Quantity
  - Types/sizes
  - Requirements
  - Specialized equipment
- Specialized utilities
- Hazmat considerations
- Current location
- Plans for replacement location
- Detailed table of tasks required
  - Responsible party
  - Bid amounts
  - Approved amount
  - Sub-tasks
  - Equipment required
  - Logistical details (order/priority)
  - Permits, inspections required
- Anticipated schedule of milestone deadlines
- Document all verbal conversations in writing (LRS, RAAP8, meeting minutes)
- Partnership with a second Agent
- Right of Way Agent consultation
- Recurring planning meetings

**DETERMINING THE NUMBER OF BUSINESSES**

Sometimes a Right of Way Agent will discover at the first meeting with a non-residential displacee that there might be more than one business or non-profit being displaced. The Agent must not make a determination or discuss how many entities are present at a location before consulting the Reviewer. Information pertaining to extent of the following factors should be gathered as soon as possible:

1. If and how the same premises and equipment are shared
2. If and how substantially identical or interrelated business functions are carried out and business and financial affairs are comingle
3. How the entities are held out to the public and to those customarily dealing with them as one business
4. If and how the same person or closely related persons own, control, or manage the affairs of the entities

A business that does not contribute materially to the income of the owner or operator shall not be considered as another establishment for purposes of determining eligibility for business entitlements.
BUSINESS REESTABLISHMENT REIMBURSEMENTS

A small business, farm, or nonprofit organization may be eligible to receive a payment not to exceed $25,000.00 for expenses actually incurred in relocating and reestablishing that small business, farm, or nonprofit organization at a replacement site. This is in addition to actual reasonable moving and related expenses. Small businesses are defined as businesses that have not more than 500 employees working at the site being acquired or displaced by the project. Working at the site" means that the business operation is full-time and that not more than 500 employees work at that location.

Payment to a part-time business in the home, which does not contribute materially to the household income, is also excluded.

The term contribute materially means that during the 2 taxable years prior to the taxable year in which displacement occurs, or during such other period as the Agency determines to be more equitable, a business or farm operation:
(i) Had average annual gross receipts of at least $5,000; or
(ii) Had average annual net earnings of at least $1,000; or
(iii) Contributed at least 33⅓ percent of the owner's or operator's average annual gross income from all sources.
(iv) If the application of the above criteria creates an inequity or hardship in any given case, the Agency may approve the use of other criteria as determined appropriate.

The emphasis is for the payment to be made available to those who actually operate a business on or from the displacement site. On the other hand, if there is a business that does not meet the requirements but is considered by the State to be eligible, a waiver can be requested from FHWA. This payment is also available to farms and nonprofit organizations that meet the criteria.

The payment is not to exceed $25,000.00, and it must be used for expenses actually incurred in reestablishing the small business, nonprofit organization, or farm at the replacement site. The reestablishment expenses must be reasonable and necessary as determined by the State. When increased operation costs at the replacement site are involved, estimates must be computed for next two years based on the best available data.

ELIGIBLE EXPENSES

The Business Reestablishment Guidelines letter and the Reestablishment Expenses Determination form (see Online Forms, RAAP46 & RAAP32) provide information that should be shared with the displacee(s) to help explain how Business Reestablishment reimbursements work. These documents essentially summarize the Federal regulations.
In addition, the Reestablishment Guidelines (see Online Forms) are a great resource for Right of Way Agents and business displacees to understand the limits that have been set and the possibilities that are available. This document reflects how the State of Indiana interprets the general Federal guidelines for more specific understanding. Because this document is subject to change on a regular basis as unique situations arise, the Right of Way Agent should always refer to the most current version.

The following excerpts from the Uniform Relocation Act shows the major categories of expenses that can be considered for reimbursement with pre-approval and proper documentation that the expenses are “actual, reasonable, and necessary.”

**49 CFR 24.304 Reestablishment expenses—nonresidential moves.**

In addition to the payments available under §§24.301 and 24.303 of this subpart, a small business, as defined in §24.2(a)(24), farm or nonprofit organization is entitled to receive a payment... for expenses actually incurred in relocating and reestablishing such small business, farm or nonprofit organization at a replacement site.

(a) Eligible expenses. Reestablishment expenses must be reasonable and necessary, as determined by the Agency. They include, but are not limited to, the following:

1. Repairs or improvements to the replacement real property as required by Federal, State or local law, code or ordinance.
2. Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business.
3. Construction and installation costs for exterior signing to advertise the business.
4. Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.
5. Advertisement of replacement location.
6. Estimated increased costs of operation during the first 2 years at the replacement site for such items as:
   (i) Lease or rental charges;
   (ii) Personal or real property taxes;
   (iii) Insurance premiums; and
   (iv) Utility charges, excluding impact fees.
7. Other items that the Agency considers essential to the reestablishment of the business.
The following excerpt notes the types of expenses that are considered ineligible according to Federal regulations.

### 49 CFR 24.304b

(b) Ineligible expenses. The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary, or otherwise eligible:

1. Purchase of capital assets, such as, office furniture, filing cabinets, machinery, or trade fixtures.
2. Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.
3. Interest on money borrowed to make the move or purchase the replacement property.
4. Payment to a part-time business in the home which does not contribute materially (defined at §24.2(a)(7)) to the household income.

### PRE-APPROVAL PROCEDURES

All Business Reestablishment claims should be based upon approval that was obtained prior to incurring the expense. It is of utmost importance that this guideline is explained to the displacee(s) at the beginning of the relocation process. The displacee(s) will benefit from knowing which expenses they can claim for reimbursement, and which expenses they will need to cover on their own. It will also eliminate any confusion and unnecessary effort that will be required to obtain approval after reestablishment project has already started or has been completed.

**Categorize Projects**

When first meeting with the displacee(s), the Right of Way Agent should begin to note the types of potential projects that will likely be necessary in the process of relocating a business, non-profit, or farm. The Agent can discuss in general terms some possible ideas for Reestablishment projects, but must always make it clear that there is a pre-approval process that requires documentation and justification before any payment can be guaranteed.

As the relocation process progresses, the Agent and the displacee(s) should work together to create a list of tasks that need to be completed in order to reestablish in the chosen replacement location. This list can then be evaluated to determine what can be considered a Moving expense or a Reestablishment expense, and what will not be reimbursed through the relocation program at all. Once the Right of Way Agent has initially categorized the list of tasks, he or she should verify with the Reviewer that the categories are accurate.
Gather Documentation

The Federal regulations always require that any payment be for “actual, reasonable and necessary” expenses. The Right of Way Agent is responsible for documenting evidence that covers all three criteria. Most of the documentation will be needed in order to gain pre-approval, and the rest will be required before the reimbursement can be released.

**Actual**

For an expense to be considered “actual,” there must be evidence that the expense was incurred and paid in full. Documentation can take the form of:

1. **Proof of project**
   a. Photographs before project was started
   b. Photographs after project is complete

2. **Proof of Cost**
   a. Copies of bids/estimates
   b. Copies of bills/invoices

3. **Proof of Payment**
   a. Paid receipts
   b. Copies of canceled checks (front and back)
   c. Credit card bills/bank statements

**Reasonable**

Because most, if not all, relocation payments are derived from local, State and Federal tax dollars, it is the responsibility of the Right of Way Agent to document that the costs that are incurred are reasonable. This can be accomplished by comparing the proposed cost of the Reestablishment project with at least two competing bids. In order to guarantee that the competing bids are fully comparable in scope and quality of work, the Agent should provide a detailed description of the project and itemize all the tasks and equipment that will need to be paid for. In most cases, the lowest bid amount will be approved for reimbursement. If the displacee chooses to use a more expensive vendor or company to complete the project, they will be responsible for the remaining balance after the reestablishment reimbursement is paid.

On the rare occasion that the project is unique enough that it is difficult to obtain comparative bids, the Right of Way Agent should consult with the Reviewer to determine an alternate method.
Necessary

Documenting the necessity of a reestablishment project depends entirely on the type of project in question. If the claim involves repair and painting of an internal wall that has obvious and extensive water damage, a photograph and an explanation in a Right of Way Agent’s Report (RAAP8) will probably be sufficient. If the claim involves upgrading the plumbing in order to satisfy local health regulations, the Agent should obtain documentation of the regulation(s), a letter from the health inspector that is requiring the upgrade, and a statement from a licensed plumber that details the work that will be necessary to meet the requirements. This documentation should be submitted along with a Right of Way Agent’s Report that explains the situation in detail.

Submit for Pre-Approval

Once the basic information has been gathered to document that the project is “actual, reasonable and necessary” as much as is possible before the project has been started, the Right of Way Agent should summarize the information in a Right of Way Agent’s Report (RAAP8). This packet can then be submitted to the Reviewer. The Reviewer must be given ample time to consider the proposal for Reestablishment, as they will need to review in detail to ensure it meets all the requirements. Until the Reviewer gives approval, the Agent should be careful not to promise any reimbursements. It is possible that the Reviewer will ask for additional information to support their decision, or they may suggest re-scoping the project in order to comply with the requirements better. In order to serve the displacee(s) best, the Agent should comply as soon as possible.

Monitor Project

Once pre-approval has been granted and a reimbursement amount has been set, the displacee is free to begin. The Right of Way Agent should keep abreast of the progress of the project in order to be able anticipate any changes in plans, resolve problems, and keep an eye on any time constraints. Sometimes it will be wise to photograph the project as it is in-progress in addition to taking photos of the “before” and “after.”

If the displacee is doing any of the work for the project, the Right of Way Agent should encourage the displacee to keep a running record of time and cost in the Labor Hours and Expenses form (see Online Forms, RAAP28) and to keep their receipts organized. Many times this will be left until the end and the displacee must try to recollect what happened over the course of the project.

Release Reimbursement

As soon as the project is complete, the Right of Way Agent should obtain invoices and/or the Labor Hours and Expenses form, along with any receipts for eligible supplies and equipment. Once the final amount has been calculated and verified that it does not exceed the approved
amount, the Right of Way Agent can prepare a voucher packet as dictated on the Business Reestablishment page in the Relocation Assembly Manual. Once the payment is prepared, the Agent must obtain proof that all the invoices were paid in full by the displacee before the reimbursement can be released.

In situations where a hardship can be documented, advance Reestablishment payments can be arranged at the discretion of the Reviewer. The displacee will be required to show proof that the replacement location has been secured with either a signed lease or purchase agreement, and will likely be required to meet certain milestones in the project before a portion of the payment will be released. The Reviewer will work with the Agent to determine the best approach.

PROCEDURES FOR ADVERTISING SIGNS

SIGNS AS REAL PROPERTY

Advertising signs located on the property being acquired by the State and are owned by the property owner are included in the appraisal. They are purchased by the State as part of the real property or retained by the owner as part of the acquisition settlement and are not part of the personal property, thus are not eligible for relocation cost reimbursement.

"ON-PREMISE" SIGNS

In the event that a sign is located on the premises of a business that is a tenant of the displacement site, such sign shall normally be included in the inventory of personal property to be relocated and not treated separately. If the sign is included as a "tenant-owned improvement' in the acquisition offer, it will not be a relocation item.

"OFF-PREMISE" SIGNS

The owner of a displaced "off-premise" sign that is located on a leased site, i.e. a site he or she does not also own, may be reimbursed for reasonable expenses in relocating the sign if not paid for as a tenant-owned improvement. These expenses include:

1. Eligible actual moving expenses
   -OR-

2. Actual direct losses of tangible personal property when he/she is entitled to relocate the sign but does not do so. The amount of such loss will be the lesser of:
   a. The depreciated reproduction cost of the sign as determined by the State, less the proceeds from its sale
      -OR-
   b. The estimated cost of moving the sign, but with no allowance for storage
3. Actual reasonable expenses in searching for a replacement sign site, not to exceed $2,500.00, as described in *Moving Entitlements* chapter under *Searching Expenses.*
DEFINITIONS AND GENERAL PROVISIONS

ADVANCE PAYMENTS

If a displacee demonstrates the need for an advance relocation payment in order to avoid or reduce a hardship, the acquiring agency shall issue the payment subject to such safeguards as are determined appropriate by the Acquisitions Manager to ensure that the objective of the payment is accomplished and that the payment is recoverable by the acquiring agency in the event that the displacee fails to fully complete the remaining eligibility requirements for the payment.

ALIEN NOT LAWFULLY PRESENT IN THE UNITED STATES

This phrase means an alien who is not "lawfully present" in the United States as defined in 8 CFR 103.12 and includes:

4. An alien present in the United States who has not been admitted or paroled into the United States pursuant to the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) and whose stay in the United States has not been authorized by the United States Attorney General

5. An alien who is present in the United States after the expiration of the period of stay authorized by the United States Attorney General or who otherwise violates the terms and conditions of admission, parole or authorization to stay in the United States

An alien that is not lawfully present in the United States is not eligible for relocation payments or assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act, unless ineligibility would result in exceptional and extremely unusual hardship to the alien’s spouse, parent or child, and such spouse, parent or child is a citizen or an alien lawfully admitted for permanent residence.

AVAILABLE HOUSING

Shall mean that the displacee has either obtained and has the right of possession of replacement housing or the State has offered comparable decent, safe and sanitary replacement housing which is available for immediate occupancy.

AVERAGE ANNUAL NET EARNINGS

Means one-half of any net earnings of a business or farm operation before Federal, State and local income taxes during the 2 taxable years immediately preceding the taxable year such business or farm operation was displaced or other period of time that the State determines to be more equitable. Any compensation paid by the business or farm operation to the owner, his spouse or his dependents during the 2-year period shall be included in the average annual net earnings.
BASE MONTHLY RENT (BMR)

The lesser of:

1. The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement as determined by the State. (For an owner-occupant, this is the economic rent plus utilities for the dwelling. For a tenant who paid little or no rent for the displacement dwelling, this is the economic rent plus utilities unless its use would result in a hardship because of the person's income or other circumstances.)

2. Thirty (30) percent of the displaced person's average monthly gross household 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 base monthly rental shall be established solely on the criteria in paragraph (b)(2)(i) of this section for persons with income exceeding the survey's "low income" limits, for persons refusing to provide appropriate evidence of income, and for persons who are dependents. A full time student or resident of an institution may be assumed to be a dependent, unless the person demonstrates otherwise; or,

3. The total of the amounts designated for shelter and utilities if the displaced person is receiving a welfare assistance payment from a program that designates the amounts for shelter and utilities.

   The U.S. Department of Housing and Urban Development's Public Housing and Section 8 Program Income Limits are updated annually and are available on FHWA'S Web site at www.fhwa.dot.gov/realestate/ua/ualic.

4. The total amount designated for shelter and utilities if receiving a welfare assistance payment from a program that designates the amounts for shelter and utilities.

BID

Price stated by a person or firm to perform certain specified activities at a future date. **Constitutes a commitment** by the person or firm to perform those activities for the stated price, if they are awarded the work.

BREAKOUT/CARVEOUT

The part of the State's offer that was for the owner-occupied portion of a displacement residence, which is **Used in Price Differential entitlement and payment computations**.
BEFORE VALUE

The Fair Market Value of the real property before the State acquires any interest(s) in that real property.

BUSINESS

Any lawful activity except a farm operation that is conducted

1. 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; or

2. Primarily for the sale of services to the public; or

3. Primarily for outdoor advertising display purposes, when the display must be moved as a result of the project; or

4. By a nonprofit organization that has established its nonprofit status under applicable federal or state law.

COMBINED CORRIDOR AND DESIGN PUBLIC HEARING

A public hearing usually associated with the improvement of an existing highway. If residents or businesses will be displaced, the Relocation Assistance Program is explained at this hearing in relation to data gathered through a Relocation Survey. Relocation brochures are made available at this hearing to anyone wishing a copy.

COMPARABLE REPLACEMENT DWELLING

The term comparable replacement dwelling means a dwelling that is

1. Decent, safe and sanitary;

2. Functionally equivalent to the displacement dwelling;

3. Adequate in size to accommodate the occupants;

4. In an area not subject to unreasonable adverse environmental conditions;

5. In a location generally not less desirable than the location of the displacement dwelling with respect to public utilities and commercial and public facilities, and reasonably accessible to the person's place of employment;
6. On a site that is typical in size for residential development with normal site improvements, including customary landscaping. The site need not include special improvements such as outbuildings, swimming pools, or greenhouses;

7. Currently available to the displaced person on the private market. However, a comparable replacement dwelling for a person receiving government housing assistance before displacement may reflect similar government housing assistance; and

8. Within the financial means of the displaced person.

If replacement dwellings meeting the above requirements are not available on the market, dwellings that exceed those requirements may be treated as comparable replacement dwellings.

CONCEPTUAL STAGE REPORT (CSR)

A Relocation Survey done as part of or in conjunction with the environmental study whereby certain required information is obtained by field observation and interviews on each of the proposed corridors or locations of the highway.

CONTRIBUTES MATERIALLY

Contributes materially means that during the two taxable years prior to the taxable year in which displacement occurs or during such other period as the State determines to be more equitable, a business or farm operation that:

1. Had average annual gross receipts of at least $5,000.00; or

2. Had average annual net earnings of at least $1,000.00; or

3. Contributed at least 33 1/3 percent of the owner's or operator's average annual gross income from all sources.

If application of the above criteria creates an inequity or hardship in any given case, the State may approve the use of other criteria as determined appropriate.

CONTROL OF THE PROPERTY

Is that date when:

1. The fee owner receives payment from the State for the acquired property; or

2. When money has been posted in court for condemnation cases.
CORRIDOR

Shall mean any one, several, or combination of several proposed locations for a highway project.

CORRIDOR PUBLIC HEARING

A public hearing to display and discuss the various proposed corridors of a highway improvement. The Relocation Assistance Program is explained in relation to the estimated number of persons and businesses to be displaced on any of the proposed corridors. Relocation brochures are made available.

DATE OF DISPLACEMENT

1. Residential Owner-Occupants:
   a. *12 Months to Secure and Occupy DS&S Housing*: The latter of the date 1) comparable replacement housing is made available 2) the date final payment is received for the displacement dwelling 3) in condemnations, the date the required amount is deposited in court
   b. *18 Months to Make Claims*: The latter of the date 1) of the move from the displacement dwelling 2) the date of final payment for the displacement dwelling 3) in condemnations, the date the final judgment is paid

2. Business Owner-Occupants: The latter of the date 1) final payment is received for the real property 2) the date of move from the displacement site 3) in condemnations, the date the final judgment is paid

3. Tenants: The date of move from the displacement site

DECENT, SAFE AND SANITARY DWELLING (DS&S)

The term "decent, safe, and sanitary dwelling" means a dwelling which meets applicable federal, state and local housing and occupancy codes. First consideration is given to local housing and occupancy codes. However, if any of the following standards are not met by an applicable code, such shall apply unless waived for good cause by FHWA. The dwelling shall:

1. Be structurally sound, weather tight, and in good repair.
2. Contain a safe electrical wiring system adequate for lighting and other electrical devices.
3. Contain a heating system capable of sustaining a healthful temperature of approximately 70 degrees for a displaced person, except in those areas where local climatic conditions do not require such a system.
4. Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced person. The number of bedrooms is normally given first consideration. There must be an adequate number of bedrooms for the occupants. These decisions normally involve the correlation of the age and sex of both adults and children and the appropriateness of sharing bedroom space.

5. There shall be a separate, well lighted and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator.

6. Contains unobstructed egress to safe, open space at ground level. If the replacement dwelling unit is on the second story or above, with access directly from or through a common corridor, the common corridor must have at least two means of egress.

7. For a disabled displacee, be free of any barriers which would preclude reasonable ingress, egress, or use of the dwelling by such displaced person.

**DESIGN PUBLIC HEARING**

A public hearing to graphically display and discuss the proposed highway project at which the Relocation Assistance Program is explained in relation to data gathered on the recommended corridor. Relocation brochures are made available at this hearing. A Design Public Hearing follows the Corridor Public Hearing, if held.

**DISPLACED PERSON OR DISPLACEE**

1. Persons Displaced

   Any person who moves from the real property or moves his or her personal property from real property:

   a. As a direct result of a written notice of intent to acquire, the initiation of negotiations for, or the acquisition of, such real property in whole or in part for a project;

   b. As a result of rehabilitation or demolition for a project; or

   c. As a direct result of a written notice of intent to acquire, or the acquisition, rehabilitation or demolition of, in whole or in part, other real property on which the person conducts a business or farm operation, for a project. However, eligibility for such a displaced person applies only for purposes of obtaining relocation assistance advisory services and moving expenses.
2. Persons Not Displaced

The following is a non-exclusive listing of persons who do not qualify as a displaced person.

a. A person who moves before the initiation of negotiations, unless the State determines that the person was displaced as a direct result of the project; or
b. A person who initially enters into occupancy of the property after the date of its acquisition for the project; or
c. A person who has occupied the property for the purpose of obtaining assistance under the Uniform Act; or
d. A person who is not required to relocate permanently as a direct result of a project. Such determination shall be made by the State in accordance with any guidelines established by FHWA.

e. Persons who are not displaced but are required to temporarily relocate due to a project will be treated fairly and equitably. Their temporarily occupied housing must be decent, safe and sanitary. They will be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation including moving expenses and increased housing costs during the temporary relocation; or

f. An owner-occupant who voluntarily sells his or her property after being informed in writing that if a mutually satisfactory agreement of sale cannot be reached; the State will not acquire the property. However, in such cases any resulting displacement of a tenant who meets the requirements of a displaced person may constitute a valid displacement in accordance with applicable regulations; or

g. A person whom the State determines is not displaced as a direct result of a partial acquisition; or

h. A person who receives a notice of relocation eligibility and is subsequently notified in writing that he or she will not be displaced for a project. Such notice shall not be issued unless the person has not moved and the State agrees to reimburse the person for any expenses incurred to satisfy any binding contractual relocation obligations entered into after the effective date of the notice of relocation eligibility; or

i. A person who retains the right of use and occupancy of the real property for life after its acquisition by the State; or

j. A person who is determined to be in unlawful occupancy prior to the initiation of negotiations, or a person who has been evicted for cause under applicable law.

**DOWNPAYMENT ASSISTANCE PAYMENT**

A Replacement Housing Payment made to a residential tenant of 90-days or more who elects to purchase their replacement dwelling.
DUPLICATE PAYMENTS NOT PERMITTED

No relocatee shall receive any relocation payment if that person receives a payment under federal, state, or local law, or insurance proceeds which are determined to have the same purpose and effect as such relocation payment.

DWELLING

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.

DWELLING SITE

A land area that is typical in size for similar dwellings located in the same neighborhood or rural area.

ESTIMATE

Approximate amount for which a person or firm believes certain activities can be accomplished. Making an estimate does not constitute a commitment by the person or firm to perform the activities for that amount.

EXPENDITURE OF PAYMENTS

Payments, provided pursuant to this part, shall not be considered to constitute Federal financial assistance. Accordingly, this part does not apply to the expenditure of such payments by, or for, a displaced person.

FAIR MARKET VALUE

The State Review Appraiser's estimate of the value of the Right of Way to be acquired and any damage to the residue. This is the amount of the acquisition offer to be made to the owner of the property.

FAMILY

Two or more individuals living together in a single family dwelling who are related by blood, adoption, marriage, or legal guardianship who live together as a family unit, plus all other individuals regardless of blood or legal ties who live with or are considered a part of the family unit, or are not related by blood or legal ties but live together by mutual consent.
FARM OPERATION

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 such quantity as to be capable of contributing materially to the operator's support. However, in instances where such operation is obviously a farm operation, it need not contribute one-third to the operator's income for him to be eligible for relocation moving payments.

FEDERAL AGENCY

Any Department, Agency or instrumentality in the Executive Branch of the Government, any wholly owned Government Corporation, and the architect of the Capitol, the Federal Reserve Banks and branches thereof.

FEDERAL FINANCIAL ASSISTANCE OR GOVERNMENT HOUSING

A grant, loan, or contribution provided by the United States, except any Federal guarantee or insurance and any interest reduction payment to an individual in connection with the purchase and occupancy of a residence by that individual.

Occupied government housing assistance before displacement; a dwelling that may reflect similar government housing assistance. In such cases any requirements of the government housing assistance program relating to the size of the replacement dwelling shall apply.

FUNCTIONALLY EQUIVALENT

A replacement dwelling that provides the same function, the same utility as in the displacement dwelling. A functionally equivalent replacement dwelling need not possess every feature of the displacement dwelling, but the principal features must be present. Functionally equivalent is an objective standard reflecting the range of purposes for which the various physical features of a dwelling may be used. Reasonable trade-offs for specific features may be considered when the replacement unit is "equal or better than" the displacement dwelling. For example, if the displacement dwelling contains a pantry and a similar dwelling is not available, a replacement dwelling with ample kitchen cupboards may be acceptable. Insulated and heated space in a garage might prove an adequate substitute for basement workshop space. A dining area may substitute for a separate dining room. Under some circumstances, attic space could substitute for basement space for storage purposes, and vice versa.

Only in unusual circumstances may a comparable replacement dwelling contain fewer rooms or, consequentially, less living space than the displacement dwelling. Such may be the case when a decent, safe, and sanitary replacement dwelling (which by definition is adequate to accommodate the displaced person) may be found to be "functionally equivalent" to a larger but very run-down substandard displacement dwelling.
GLOBAL SETTLEMENT

The Uniform Act and implementing regulations in 49 CFR Part 24 require that certain incidental expenses and relocation benefits including relocation housing payments be based on actual costs. These costs are not generally available at the time negotiations for the real property is completed by acquiring agencies. In addition, most residential moving costs and many business moving expenses must also be based on actual expenditures. Due to the above requirements, Global Settlements on federal and federal-aid projects is not permitted.

HOUSEHOLD INCOME

The total gross income received for a 12 month period from all sources (earned and unearned) including, but not limited to wages, salary, child support, alimony, unemployment benefits, workers compensation, social security, or the net income from a business. It does not include income received or earned by dependent children and full time students less than 18 years of age. (Refer to CFR 49 Part 24 appendix A, § 24.2(a)(14) for examples of exclusions to income.)

HUD or DHUD

The area office or, where none exists, the regional office of the Department of Housing and Urban Development.

INCIDENTAL EXPENSES PAYMENT

The sum of those eligible, reasonable costs customarily paid by the buyer and actually incurred by the displaced person as a result of the purchase of a replacement dwelling.

INCREASED INTEREST PAYMENT

The amount to compensate a displaced homeowner-occupant for any increased interest costs he or she is required to pay for financing the replacement property.

INDEPENDENT REVIEWER

An independent reviewer is an individual who does not have direct responsibility or involvement in the action appealed. Thus, reviewers should not have been significantly involved in the activities under review.

INITIATION OF NEGOTIATIONS FOR THE PARCEL

The delivery of the initial written offer by the State's negotiator to the owner or the owner's representative to purchase real property for a project for the amount determined to be just compensation, unless FHWA regulations specify a different action to serve this purpose. In any case where a person moves after the State issues a notice of its intent to acquire the real property,
but before delivery of the initial written purchase offer, initiation of negotiations means the date the person moves from the property.

MOBILE HOME

The term mobile home includes manufactured homes and recreational vehicles used as residences.

MORTGAGE

Such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of the State in which the real property is located, together with the credit instruments, if any, secured thereby.

MORTGAGE INTEREST DIFFERENTIAL PAYMENT

Same as INCREASED INTEREST PAYMENT.

MOVES AS A RESULT OF PROTECTIVE BUYING OR HARDSHIP

A person who moves from real property which is acquired for a project by protective buying or because of hardship prior to initiation of negotiations for the project. The occupancy requirements must be computed from the date of initiation of negotiations for the parcel or the date of move, whichever is earlier. When a notice of intent to acquire is issued, the date of move will be considered to be the initiation of negotiations for the parcel.

NONPROFIT ORGANIZATION

An organization and/or business that is incorporated under the applicable laws of the State as a non-profit organization and exempt from paying Federal income taxes under Section 501 of the Internal Revenue Code.

OWNER OF A DWELLING

A displaced person is considered to have met the requirement to own a displacement or replacement dwelling if the person holds any of the following interests in real property acquired for a project:

1. Fee title, a life estate, a 99-year lease, or a lease, including any options for extension, with at least 50 years to run from the date of acquisition

2. An interest in a cooperative housing project which includes the right to occupy a dwelling
3. A contract to purchase any interest or estates described above
4. Any other interest, including a partial interest, which in the judgment of the State warrants consideration as ownership

**90-DAY OWNER**

An initial occupant who has owned and occupied the dwelling from which he or she is being displaced for at least 90 days immediately prior to the initiation of negotiations.

**PARTIAL ACQUISITION**

The acquisition of a portion of a parcel of property.

**PERCENT REQUIRED FOR DOWNPAYMENT**

At the start of each project, the Right of Way Agent assigned shall survey local financial institutions engaged in home mortgages to determine the percent required as downpayment for conventional financing, i.e. an uninsured loan. The percentage given by each institution in the area shall be averaged to the nearest whole percent to determine the average percent required as downpayment for a conventional loan.

**PERSON**

Any individual, family, partnership, corporation or association.

**POTABLE WATER**

Water suitable for drinking.

**PRICE DIFFERENTIAL PAYMENT**

The difference between the acquisition price paid by the State for the displacement dwelling and the amount determined by the State as necessary to purchase a comparable dwelling or the amount actually paid by the displaced person for a DS&S replacement dwelling, whichever is less.

**RENTAL ASSISTANCE PAYMENT (RAP)**

A Replacement Housing Payment to reimburse a residential 90-day tenant or homeowner-occupant for the increased cost of renting a comparable replacement dwelling or the DS&S dwelling they actually rent, whichever is less, for a period not to exceed 42 months.
RELOCATION PROCEDURES – DEFINITIONS AND GENERAL PROVISIONS

RELOCATION DWELLING
A dwelling which meets the criteria of DS&S and which may or may not be comparable to that which the displacee occupied at the time of displacement.

REPLACEMENT HOUSING PAYMENT (RHP)
This is a general term which encompasses the Price Differential, Mortgage Interest Differential, and Incidental Expenses, Rental Assistance Payments (RAP), and Downpayment Assistance Payments (DAP).

REPUTABLE MOVER
A mover who regularly engages in a specific type(s) of personal property moving and who is in compliance with all applicable Federal, State and local laws and/or ordinances.

ROOM
A specifically definable area such as a bedroom, living room, kitchen, etc.

ROOM COUNT
For purposes of payment on the moving cost schedule, a room adequately furnished for the purpose to which the room is being used.

SALVAGE VALUE
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 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.

SITE OCCUPANT
An owner or tenant in occupancy of the displacement property.

SMALL BUSINESS
A business having at least one, but not more than 500 employees working at the site being acquired or displaced by a program or project.
STATE

The Indiana Department of Transportation (INDOT) or comparable organization of any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, The Trust Territory of the Pacific Islands, and any political subdivision thereof, i.e. local public agency (LPA).

STATE AGENCY

Any Department, Agency of instrumentality of a State or of a political subdivision of a State, or two or more States, or of two or more political subdivisions of a State or States.

TENANT

One having temporary use and occupancy of real property owned by another.

UNIFORM ACT

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894; 42 U.S.C. 4601 et. seq.; Public Law 91-646), and amendments thereto.

UNLAWFUL OCCUPANT

A person who occupies without property right, title or payment of rent or a person legally evicted, with no legal rights to occupy a property under State law. An Agency, at its discretion, may consider such person to be in lawful occupancy.

UTILITY COSTS

Expenses for heating, cooling, other electric, water and sewer.

WAIVER OF RELOCATION ASSISTANCE

No waiver of relocation assistance is permitted. A displacing Agency shall not propose or request that a displaced person waive his or her rights or entitlements to relocation assistance and benefits provided by the Uniform Act and this regulation.

WITHIN THE FINANCIAL MEANS OF THE DISPLACEE

1. 90-Day Owners Who Purchase Their Replacement Dwelling. A replacement dwelling is considered to be within the financial means of the 90-day homeowner if the homeowner is paid the full Price Differential, all increased mortgage interest costs, and
all eligible incidental expenses, plus any additional amount required to be paid under the provisions of Last Resort Housing.

2. **Eligible Displaced Persons Who Rent Their Replacement Dwelling.** A replacement dwelling rented by an eligible displaced person is considered to be within his or her financial means if, after receiving a Rental Assistance Payment, the person's monthly rent and estimated average monthly utility costs do not exceed the person's base monthly rental for the displacement dwelling.

**Ineligible Displaced Persons.** For displaced persons ineligible to receive a Replacement Housing Payment because of failure to meet length-of-occupancy requirements, comparable replacement rental housing is considered to be within the person's financial means if the State pays that portion of the monthly replacement housing costs which exceeds 30% of the displaced tenant’s gross monthly household income or, if receiving a welfare assistance payment from a program that designates amounts for shelter and utilities, the total amount designated for shelter and utilities. Such rental assistance must be paid under the provisions of Last Resort Housing.
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