

# Relocation Assistance and Advisory Services



Highway Division, Office of Right of Way

June 27, 2025

# Introduction

This brochure provides general information about relocation assistance provided by the Iowa Department of Transportation (DOT) for those individuals who may be required to move as a result of a highway project. It is not intended to be a legal document that comprehensively explains every right or obligation you have as established by Chapter 316, Code of Iowa; Federal Public Laws 91-646 and 100-17; and 49 CFR.

Your relocation advisor will provide the assistance you need to successfully relocate to a suitable replacement property. Your first contact with your relocation advisor will usually occur during the early stages of the appraisal process, and he or she will continue to work with you until you have moved and become established at a new location. Do not hesitate to ask questions so you are sure you understand the process, your rights and the benefits available to you. Please let your DOT relocation advisor know your needs and preferences. If your relocation advisor is unable to help you with a specific problem or concern, he or she may know of another person or an organization that can help you.

**DO NOT MOVE UNTIL YOU HAVE CONTACTED YOUR DOT RELOCATION ADVISOR.** Only then will you be sure you are not jeopardizing your potential rights and benefits under this program. No person who lawfully occupies real property will be required by DOT to move without being notified in writing at least 90 days in advance.

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Iowa DOT ensures nondiscrimination and equal employment in all programs and activities in accordance with Title VI and Title VII of the Civil Rights Act of 1964 and other nondiscrimination statutes. If you need more information or special assistance for persons with disabilities or limited English proficiency, contact Iowa DOT Civil Rights at 515-239-1111 or by email at [civil.rights@iowadot.us](mailto:civil.rights@iowadot.us).

# Residential Moving Cost Reimbursement

## Individuals and families

If you are required to move, you are entitled to reimbursement of your moving costs. Contact your DOT relocation advisor **BEFORE** you move to ensure your eligibility and prompt payment after you move.

You may choose either option below or a combination of the two. Your DOT relocation advisor can assist by explaining your choices.

Actual reasonable moving costs	Fixed moving cost schedule
<ul style="list-style-type: none"><li>• Packing and unpacking</li><li>• Transportation</li><li>• Moving insurance</li><li>• Utility reconnection</li><li>• Other related costs</li></ul>	Lump sum payment based on the number of rooms of furniture



## Actual moving costs

Actual, reasonable and necessary moving expenses will be reimbursed when your move is performed by a commercial mover. In most cases, you will not be paid for moving more than 50 miles. Other costs, such as temporary storage, can be reimbursed if your DOT relocation advisor determines they are necessary. To be reimbursed for any of your expenses, you will be required to submit receipts to the DOT. In some cases, DOT staff can arrange to pay the moving company or vendor directly, so be sure to discuss your situation with your DOT relocation advisor before you plan the move.

## Fixed moving cost schedule

You may choose to be reimbursed for your moving expenses on a fixed moving cost schedule. If you choose to accept this amount, you will not be required to submit receipts. The amount will be a fixed, lump-sum amount based on the number of rooms of furniture and other personal property in your home. This option also includes a lump-sum payment for the reconnection of utilities.

Number of rooms	Occupant-owned furniture	Occupant does not own furniture
1	\$550	\$500
2	\$700	\$550
3	\$800	\$600
4	\$900	\$650
5	\$1,000	\$700
6	\$1,100	\$750
Each additional room	\$125	\$50

If you occupy a dormitory room, your moving expense payment will be \$50.

## Replacement Housing Payments (RHP)

The housing market in your area may cause your housing costs to increase after the DOT purchases your home for a highway project. Payments to assist you in the purchase or rental of replacement housing are provided by the DOT when determined necessary by DOT to reduce the burden of increased housing costs.

The DOT offers several types of RHPs. The type available to you depends on the following:

- whether you are a homeowner or a tenant; and
- how long you lived in the home prior to the start of purchase negotiations with the DOT.

The start of purchase negotiations is the date when a DOT agent presents the property owner with a written offer to purchase.

If you are familiar with the definitions of the terms **dwelling**; **decent, safe and sanitary dwelling**; and **comparable replacement dwelling**, it will be easier for you to understand the types of payments available for replacement housing.



A **dwelling** is a single-family house; a single-family residence in a two-family, multi-family, condominium or multi-purpose property; or a mobile home. If you have some other type of residence in mind, please talk to your DOT relocation advisor before you make a commitment.

A **decent, safe and sanitary** (DSS) dwelling must meet all of the following minimum requirements:

- conforms to local and state housing and occupancy codes;
- is structurally sound, weathertight and in a state of good repair;
- has a safe electrical wiring system, adequate for lighting and electrical appliances;
- has an adequate heating system for the living area;
- is adequate in size, with respect to the number of rooms and area of living space, to accommodate the person or family;
- has a well-lighted and ventilated bathroom that provides privacy to the user; contains a sink, bathtub or shower stall, and a toilet - all in good working order and properly connected to appropriate sources of water and a sewage drainage system;
- has a kitchen area with a fully functional sink, properly connected to safe hot and cold water and a sewage drainage system, and has adequate space and utility connections for a stove and refrigerator;
- has an unobstructed exit leading to safe open space at ground level;
- is equipped with an appropriate number of working smoke detectors; and
- where necessary, is free of barriers that prevent reasonable entrance, exit or use by a person with a disability.

A **comparable replacement dwelling** must be DSS and should be functionally similar to your present dwelling. While not identical to your present home, it should be currently available and affordable for you, have a similar number of rooms and amount of living space, and be located:

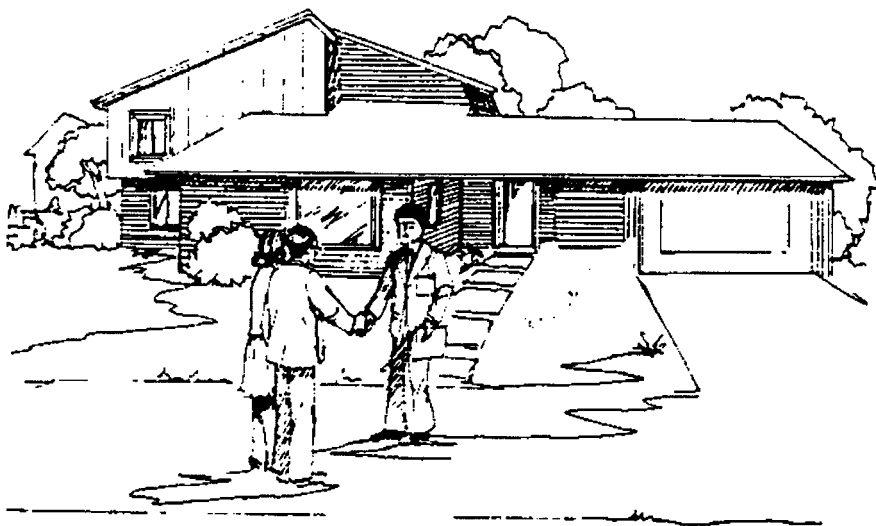
- in an area not subject to unreasonable adverse environmental conditions;
- in an area generally not less desirable than your present location with respect to public utilities and commercial and public facilities; and
- on a site that is typical in size for residential development with normal site improvements, which generally means the home is located on a lot that is not unusually large or small in your community, and has average landscaping.

The maximum replacement housing payment that will be made available to you will be based on a DOT relocation study of the available housing market in your area. You will be informed of the locations of the homes that your DOT relocation advisor considers most comparable to yours. **You are not required to purchase or rent any of the homes selected by your relocation advisor.**

However, to be eligible for a replacement housing payment, the dwelling you choose to occupy must be inspected and certified by your DOT relocation advisor as meeting DSS requirements. An offer to purchase should be written **“Subject to DOT approval and inspection.”**

To be sure you are not jeopardizing your benefits, **do not commit yourself to the purchase or rent of replacement housing until the housing has been inspected by your DOT relocation advisor.** This inspection is not a guarantee against problems currently existing in the dwelling or those that may arise in the future, it is made only to determine your eligibility for a RHP.

If you are an owner-occupant or a tenant-occupant of a mobile home, the provisions are generally the same as those for conventional homes. However, there are some considerations unique to mobile homes. Your DOT relocation advisor will provide you with specific information.



### **Owner-Occupants of 90 Days or More**

If you have owned and lived in your home for 90 days or more immediately prior to the initiation of negotiations for its purchase, you may be eligible for a RHP. This payment is to cover the costs necessary for your purchase of a comparable DSS replacement dwelling. This is in addition to the amount paid to you for the purchase of your present home. The DOT relocation supervisor will compute the maximum payment you are eligible to receive.

#### **Example of a RHP calculation:**

Assume the DOT purchases your property for \$80,000. After a thorough study of available decent, safe and sanitary dwellings on the open market, the DOT determines a comparable replacement property will cost you \$90,000. You are then eligible for a "price differential" payment up to \$10,000.

If your purchase price is more than \$90,000, you pay the difference (see Example B on the next page). If your purchase price is less than \$90,000, the RHP will be based on actual costs (see Example C on the next page).

How much of the RHP you receive depends on how much you actually spend on a replacement dwelling, as shown in these examples.

<b>DOT computation</b>	Comparable replacement property Acquisition price of your property Maximum eligible RHP	\$90,000 \$80,000 \$10,000
<b>Example A</b>	Purchase price of replacement property Comparable replacement property Acquisition price of your property You receive full RHP	\$90,000 \$90,000 \$80,000 \$10,000
<b>Example B</b>	Purchase price of replacement property Comparable replacement property Acquisition price of your property You receive full RHP You must pay the additional cost	\$95,000 \$90,000 \$80,000 \$10,000 \$ 5,000
<b>Example C</b>	Purchase price of replacement property Comparable replacement property Acquisition price of your property You receive partial RHP	\$85,000 \$90,000 \$80,000 \$ 5,000

### Additional benefits

You may also be eligible to receive reimbursement of additional expenses incurred in your purchase of a comparable replacement dwelling, including the following costs:

- **Increased mortgage interest costs** - If you have had a bona fide mortgage on your home for at least 180 days prior to the initiation of negotiations, it may be necessary for you to get a new mortgage at a higher interest rate when you purchase your replacement home. The amount you are eligible to receive will be limited to those costs necessary for your purchase of a comparable replacement dwelling or the dwelling you actually purchase, whichever is less. The amount you receive is intended to insure it will not be necessary to increase your mortgage payment after you purchase a replacement dwelling. Your DOT relocation advisor can explain this payment in more detail.
- **Expenses incidental to the purchase of your replacement dwelling** - You will be reimbursed for actual, reasonable and necessary expenses incurred for items such as a title opinion, recording fees and appraisal. This does not include prepaid expenses such as property insurance, interest and real estate taxes. Your DOT relocation advisor will provide additional information.



- **Rental assistance** - If you decide to rent rather than purchase a replacement home, you may be eligible for rental assistance. Your DOT relocation advisor can provide you with additional information.

## **Tenant-Occupants of 90 Days or More**

If you are a tenant and have lawfully occupied your home for at least 90 days immediately prior to the initiation of negotiations for its purchase, you may be eligible for a rental assistance payment to enable you to rent a comparable DSS replacement dwelling for a period of 42 months.

The DOT relocation staff will compute the maximum payment you are eligible to receive. The maximum rental assistance payment will include consideration of utility costs, household income and the rental market in your area.

## **Example of rental assistance**

As an example of how a rental assistance payment is computed, assume you have been paying \$450 per month rent (including utilities) for the dwelling occupied by you and purchased by the DOT. After a study of the rental market, the DOT determines that a replacement rental unit, which is DSS and comparable to your present dwelling, is available for \$525 per month (including utilities). The maximum rental assistance payment you can receive in this case is \$75 per month for a 42-month period or \$3,150.

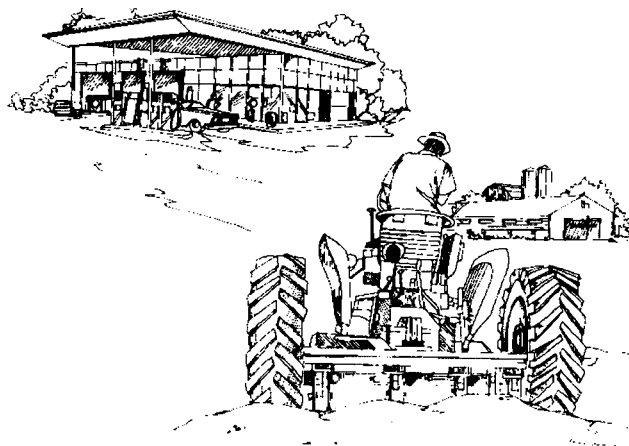
**Option A:** If you select a replacement dwelling that rents for \$550 per month, despite the availability of comparable DSS replacement rental units that rent for \$525 per month, you will still receive only the maximum computed payment of \$3,150. The additional \$25 per month is not included in your assistance payment.

**Option B:** If you select a replacement dwelling that rents for more than your present rental unit, but less than the comparable rental unit replacement cost determined by the DOT, you will be paid on the basis of actual cost. For example, assume you select a replacement dwelling unit that rents for \$500 per month. On the basis of actual cost, you will be eligible for a payment of \$50 per month for 42 months or \$2,100.

The computation of a rental assistance payment for an owner-occupant is slightly more complex, and space does not permit its inclusion in this brochure. Owners interested in renting should contact their DOT relocation advisor for a complete explanation.

**Down-payment assistance** - If you decide to purchase replacement housing, down-payment assistance may be available to you. Your DOT relocation advisor can provide you with additional information.

## **Non-residential Moving Cost Reimbursement Businesses, farms, non-profit organizations, and others**



If you own personal property to be moved, or if your business, farm operation or non-profit organization is required to move, you are entitled to reimbursement of your actual, reasonable and necessary moving costs. You may choose to be paid on the basis of receipts for the actual cost of moving or, under some circumstances, you may be eligible for a fixed payment. To assure prompt payment after you move and to ensure your eligibility, **STAY IN CONTACT WITH YOUR DOT RELOCATION ADVISOR BEFORE YOU MOVE.**

### **Actual, reasonable and necessary moving expense reimbursement**

You may be eligible for reimbursement of any or all of the following expenses related to your move, if a study by your DOT relocation advisor determines the expenses to be actual, reasonable and necessary:

- packing and unpacking of personal property;
- disconnection and reconnection of relocated machinery and equipment, substitute personal property and connection to utilities within the building;
- transportation of personal property to the new location;
- temporary storage of your personal property;
- moving insurance;
- any license, permit or certification required of the displaced person at the replacement location;

- professional services for planning the move of the personal property or moving the personal property;
- installation of the relocated personal property at the replacement location;
- services performed prior to the lease or purchase of the replacement location to determine suitability for the displaced person's business operation, including but not limited to, soil testing, feasibility studies and marketing studies, and **not including** any fees or direct commissions related to the purchase or lease of such site;
- one-time notification to business clientele of move; and
- expenses incurred in searching for a replacement location. Payment under this provision for searching cannot exceed \$2,500.

Under most circumstances, your reimbursement for moving expenses will be limited to moves of no more than 50 miles. Reimbursement of these costs will be based on paid receipts from movers or vendors. If arrangements are made in advance, the DOT can often arrange to pay the mover or vendor directly. If you decide that you want to take full responsibility for all or part of your move and be paid to do it yourself, the DOT can usually approve moving expense reimbursement for those arrangements.

Under some circumstances, you may also be eligible for reimbursement of other expenses that are necessary as a result of your move, such as: reprinting of stationery you have on hand that is made obsolete due to the move; loss of tangible personal property incurred as a result of your move or as a result of the discontinuance of your operation; or purchase of substitute personal property. Your DOT relocation advisor can provide additional information to help you make the decisions to plan and accomplish your move.

In addition, some small businesses, farm operations, non-profit organizations, and others, may be eligible to receive reimbursement, not to exceed \$10,000, for expenses actually incurred to re-establish their operation at a new location. There are a number of limitations on the payments, the operations that qualify for the payments and expenses that are eligible. However, if a study by your DOT relocation advisor establishes them to be necessary, you may receive reimbursement for expenses such as: modifications to the replacement property necessary to accommodate your operation; advertising of replacement location; construction or installation of exterior signs; and increased cost of operation for the first two years in your new location. Your DOT relocation advisor can provide you with more specific information.



To receive reimbursement of moving expenses, you must:

- provide the DOT with reasonable, written, advance notice of the approximate date of the start of your move (if written notice is required for your move, we will provide you with a form to be returned to the DOT);
- provide the DOT with a list of the items to be moved;
- allow the DOT relocation advisor to make reasonable inspections of the personal property at your current and replacement locations; and
- allow the DOT relocation advisor to monitor your move.

This procedure should also benefit you because all aspects of your move and the expenses to be reimbursed can be established, verified and approved before you move.

**NOTE:** If you are required to move your personal property from a commercial storage facility, you are not eligible for temporary storage costs.

### **Fixed payment in lieu of actual expenses**

If you qualify, you may decide that it is in your best interest to choose a fixed payment in lieu of actual moving and reestablishment expenses. No receipts for actual expenses are necessary under this option. The payment is based on your average annual net earnings for the two taxable years immediately prior to your move. The payment will not be less than \$1,000 or more than \$20,000.

Your DOT relocation advisor can explain who qualifies and how you can document your average annual net earnings.

## **Miscellaneous Information**

- Your DOT relocation advisor will give you the forms necessary to claim payments. Your relocation advisor will also assist you in filling out the forms.
- You must occupy your replacement dwelling within one year or your replacement business site within 18 months after the latter of the date you actually moved from the property acquired by the DOT, or the date that the DOT fully paid the established purchase price for your property.
- You must have filed the forms necessary to claim payment within 18 months after the latter of those two dates.
- Owners and tenants in lawful occupancy of their property for less than 90 days immediately prior to the initiation of negotiations are, in most cases, eligible to receive reimbursement for moving expenses and to receive advisory services.
- Replacement housing payments offered are conditional. If the price the DOT paid for your home is different than the amount offered initially, your maximum replacement housing payment may change.
- Except for any state or federal law providing low-income housing assistance, the Internal Revenue Service or Social Security Administration does not consider relocation assistance payments as income.

## **How to Have Your Claim Reviewed**

If you believe that the DOT relocation advisor has failed to properly determine your eligibility for assistance, a payment or the amount of a payment, you may have the matter reviewed. In general, if you want a review:

1. Send a written statement requesting the review and outlining the items in dispute to Director, Highway Division, Iowa Department of Transportation, 800 Lincoln Way, Ames, IA 50010-6993.
2. If eligibility, a payment or a payment amount is in dispute, you should provide a written, detailed explanation and attach supporting documentation.

Upon receipt of this written statement, the Director of the Highway Division will appoint a review board comprised of three DOT staff members. One will be a district engineer or district engineer's designee and two others will be from outside the Office of Right of Way. This meeting will be held in the vicinity where the property acquired by the DOT is located and you will be given a full opportunity to present your information. The review board will make the DOT's final decision.

**If you have any questions, please call or write:**



Right of Way of Way Bureau  
Relocation Assistance  
800 Lincoln Way  
Ames, IA 50010-6993  
Ph. 515-239-1135 [http://www.iowadot.gov/  
rightofway/sections.html](http://www.iowadot.gov/rightofway/sections.html)