

WAC 468-100-403 Additional rules governing replacement housing payments. (1) **Determining cost of comparable replacement dwelling:** The upper limit of a replacement housing payment shall be based on the cost of a comparable replacement dwelling (defined in WAC 468-100-002(6)).

(a) **Three-comparable method:** If available, at least three comparable replacement dwellings shall be examined and the payment computed on the basis of the dwelling most nearly representative of, and equal to, or better than, the displacement dwelling.

(b) **Major exterior attribute:** If the site of the comparable replacement dwelling lacks a major exterior attribute of the displacement dwelling site (e.g., the site is significantly smaller or does not contain a swimming pool or outbuildings), the value of such attribute shall be subtracted from the acquisition cost of the displacement dwelling for purposes of computing the replacement housing payment.

(c) **Remainder offer:** If the acquisition of a portion of a typical residential property causes the displacement of the owner from the dwelling and the remainder is a remnant of the displacement dwelling site or a buildable residential lot, the agency may offer to purchase the entire property. If such an offer is made and the owner refuses to sell the remainder to the agency, the value attributable to that remainder, shall be added to the acquisition price paid for the displacement dwelling for purposes of computing the price differential.

(d) **Location:** To the extent feasible, comparable replacement dwellings shall be selected preferably from the neighborhood in which the displacement dwelling was located or, if not otherwise feasible, from nearby or similar neighborhoods where housing costs are generally the same as in the displacement neighborhood. Where that is not possible dwellings may be selected from neighborhoods where housing costs are the same or higher.

(e) **Multiple occupants of one displacement dwelling:** If two or more occupants of the displacement dwelling move to separate replacement dwellings, each occupant is entitled to a reasonable prorated share, as determined by the agency, of any relocation payments that would have been made if the occupants moved together to a comparable replacement dwelling. However, if the agency determines that two or more occupants maintained separate households within the same dwelling, such occupants have separate entitlements to relocation payments.

(f) **Deductions from relocation payments:** An agency shall deduct the amount of any advance relocation payment from the relocation payment(s) to which a displaced person is otherwise entitled. The agency shall not withhold any part of a relocation payment to a displaced person to satisfy an obligation to any other creditor.

(g) **Mixed-use and multifamily properties:** If the displacement dwelling was part of a property that contained another dwelling unit and/or space used for nonresidential purposes, and/or is located on a tract larger than a site that is typical for residential purposes, only that portion of the acquisition payment which is actually attributable to the displacement dwelling shall be considered its acquisition cost when computing the price differential.

(h) **Insurance proceeds:** To the extent necessary to avoid duplicate compensation, the amount of any insurance proceeds received by a person in connection with a loss to the displacement dwelling due to a catastrophic occurrence (fire, flood, etc.) shall be included in the acquisition cost of the displacement dwelling when computing the price differential. (Also see WAC 468-100-003.)

(2) **Inspection of replacement dwelling:** Before making a replacement housing payment or releasing a payment from escrow, the agency or its designated representative shall inspect the replacement dwelling and determine whether it is a DSS dwelling as defined in WAC 468-100-002(8).

(3) **Purchase of replacement dwelling:** A displaced person is considered to have met the requirement to purchase a replacement dwelling, if the person:

- (a) Purchases a dwelling; or
- (b) Purchases and rehabilitates a substandard dwelling; or
- (c) Relocates a dwelling which the person owns or purchases; or
- (d) Constructs a dwelling on a site the person owns or purchases;

or

(e) Contracts for the purchase or construction of a dwelling on a site provided by a builder or on a site the person owns or purchases;

or

(f) Currently owns a previously purchased dwelling and site, valuation of which shall be on the basis of current fair market value.

(4) **Occupancy requirements for displacement or replacement dwelling:** No person shall be denied eligibility for a replacement housing payment solely because the person is unable to meet the occupancy requirements set forth in this chapter for a reason beyond the person's control, including:

(a) A disaster, an emergency, or an imminent threat to the public health or welfare, as determined by the funding agency; or

(b) Another reason, such as a delay in the construction of the replacement dwelling, military reserve duty, or hospital stay, as determined by the agency.

(5) **Conversion of payment:** A displaced person who initially rents a replacement dwelling and receives a rental assistance payment under WAC 468-100-402(2) is eligible to receive a payment under WAC 468-100-401 or 468-100-402(3) if the person meets the eligibility criteria for such payments, including purchase and occupancy within the prescribed one-year period. Any portion of the rental assistance payment that has been disbursed shall be deducted from the payment computed under WAC 468-100-401 or 468-100-402(3).

(6) **Payment after death:** A replacement housing payment is personal to the displaced person and upon the person's death the undisbursed portion of any such payment shall not be paid to the heirs or assigns, except that:

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

(b) The full payment shall be disbursed in any case in which a member of a displaced family dies and the other family member(s) continue to occupy a DSS replacement dwelling.

(c) 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.

[Statutory Authority: Chapter 8.26 RCW. WSR 07-08-109, § 468-100-403, filed 4/4/07, effective 5/5/07; WSR 06-02-068, § 468-100-403, filed 1/3/06, effective 2/3/06; WSR 89-17-048 (Order 121), § 468-100-403, filed 8/14/89, effective 9/14/89.]