(1) Determination to provide replacement housing of last resort. Whenever a program or project cannot proceed on a timely basis because comparable replacement dwellings are not available within the monetary limits for owners or tenants, as specified in WAC 468-100-401 or 468-100-403, as appropriate, the agency shall provide additional or alternative assistance under the provisions of this subpart. Any decision to provide last resort housing assistance must be adequately justified either:

(a) On a case-by-case basis, for good cause, which means that appropriate consideration has been given to:
   (i) The availability of comparable replacement housing in the program or project area;
   (ii) The resources available to provide comparable replacement housing; and
   (iii) The individual circumstances of the displaced person; or

(b) By a determination that:
   (i) 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;
   (ii) A program or project cannot be advanced to completion in a timely manner without last resort housing assistance; and
   (iii) The method selected for providing last resort housing assistance is cost effective, considering all elements, which contribute to total program or project costs.

(2) Basic rights of persons to be displaced. Notwithstanding any provision of this subpart, no person shall be required to move from a displacement dwelling unless comparable replacement housing is available to such person. No person may be deprived of any rights the person may have under the Uniform Act or this part. The agency shall not require any displaced person to accept a dwelling provided by the agency under these procedures (unless the agency and the displaced person have entered into a contract to do so) in lieu of any acquisition payment or any relocation payment for which the person may otherwise be eligible.

(3) Methods of providing comparable replacement housing. Agencies shall have broad latitude in implementing this subpart, but implementation shall be for reasonable cost, on a case-by-case basis unless an exception to case-by-case analysis is justified for an entire project.

(a) The methods of providing replacement housing of last resort include, but are not limited to:
   (i) A replacement housing payment in excess of the limits set forth in WAC 468-100-401 or 468-100-402. A replacement housing payment under this section may be provided in installments or in a lump sum at the agency's discretion.
   (ii) Rehabilitation of and/or additions to an existing replacement dwelling.
   (iii) The construction of a new replacement dwelling.
   (iv) The provision of a direct loan, which requires regular amortization or deferred repayment. The loan may be unsecured or secured by the real property. The loan may bear interest or be interest-free.
   (v) The relocation and, if necessary, rehabilitation of a dwelling.
   (vi) The purchase of land and/or a replacement dwelling by the displacing agency and subsequent sale or lease to, or exchange with a displaced person.
   (vii) The removal of barriers for persons with disabilities.
(b) Under special circumstances, consistent with the definition of a comparable replacement dwelling, modified methods of providing replacement housing of last resort permit consideration of replacement housing based on space and physical characteristics different from those in the displacement dwelling, including upgraded, but smaller replacement housing that is decent, safe, and sanitary and adequate to accommodate individuals or families displaced from marginal or substandard housing with probable functional obsolescence. In no event, however, shall a displaced person be required to move into a dwelling that is not functionally equivalent in accordance with WAC 468-100-002 (6)(b).

(c) The agency shall provide assistance under this subpart to a displaced person who is not eligible to receive a replacement housing payment under WAC 468-100-402 because of failure to meet the length of occupancy requirement when comparable replacement rental housing is not available at rental rates within the displaced person's financial means (see WAC 468-100-002 (6)(h)(iii)). Such assistance shall cover a period of forty-two months.

[Statutory Authority: Chapter 8.26 RCW. WSR 06-02-068, § 468-100-404, filed 1/3/06, effective 2/3/06.]