

Chapter 12 Relocation Assistance

12-1 Acronyms

[49 CFR 24.2\(b\)](#)
[WAC 468-100-002](#)

Acronyms relating to relocation assistance and the Uniform Relocation Act are located in the Washington Administrative Code and the Code of Federal Regulations. Additional acronyms relative to the Washington State Department of Transportation (WSDOT) are as follows:

AAG	Assistant Attorney General
AG	Attorney General
AGO	Office of Attorney General
ALJ	Administrative Law Judge
CFR	Code of Federal Regulations
DLT	Direct Loss of Tangibles (Personal Property)
DV	Determination of Value
EIS	Environmental Impact Statement
HQ RESM	Headquarters Real Estate Services Manager
HUD	Housing and Urban Development
IRIS	Integrated Realty Information System
LPA	Local Public Agency
NPO	Nonprofit Organization
OAH	Office of Administrative Hearings
PPO	Personal Property Only
RCW	Revised Code of Washington
RESM	Real Estate Service Manager
RES	Real Estate Services
RHP	Replacement Housing Payment
RVI	Replacement Value Insurance
SPP	Substitute Personal Property
WAC	Washington Administrative Code
WSDOT	Washington State Department of Transportation

12-2 Policy

12-2.1 Purpose

[49 CFR 24.1](#)
[RCW 8.26.010](#)
[WAC 468-100-001](#)

To establish uniform procedures in relocation assistance that will assure legal entitlements are provided and to provide fair, equitable, and consistent treatment to persons displaced by projects administered by WSDOT.

12-2.2 Authority

- A. Title 42, United States Code Chapter 61, Sections 4601-4665 (42 USC §§ 4601-4665), the Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended), Public Law 91-646, 84 Stat. 1894 (42 USC 4601) as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987, Title IV(1987 Amendments), Public Law 100-17, 101 Stat. 246-256 (1987 Amendments).
- B. Code of Federal Regulations (CFR), [49 CFR Part 24](#).
- C. The Revised Code of Washington (RCW), [Chapter 8.26](#).
- D. The Washington Administrative Code (WAC), [Chapter 468-100](#).

12-3 Responsibility

12-3.1 Applicability

[49 CFR 24.2\(a\)\(9\)](#)
[RCW 8.26.020\(4\)](#)
[WAC 468-100-002\(9\)](#)

- A. The provisions of this chapter are applicable to any person who is displaced by any state or federally assisted highway project or program.
- B. Parcel files are not closed unless all payments have been made and all assistance and assurances have been provided to eligible displaced persons as required by this chapter.

12-3.2 Assurances

[49 CFR 24.4](#)
[RCW 8.26.085](#)
[WAC 468-100-004](#)

- A. WSDOT assures that:
 - 1. The relocation program is realistic and adequate to provide orderly, timely, and efficient relocation of displaced persons as provided in this chapter. Relocation assistance problems will be analyzed in a relocation plan for the project. In hardship cases or for protective buying, an analysis of the relocation problems involved and a specific plan to resolve such problems will be provided for each parcel or for the project. See [Chapter 6](#) for information and procedures for protective buying and hardship cases.
 - 2. Within a reasonable period of time prior to displacement, comparable replacement dwellings will be available or provided for displaced individuals and families as defined in this chapter. Displaced persons will receive written notice providing the address of at least one, and if available, three comparable replacement dwellings used in determining the replacement housing entitlements.
 - 3. No person lawfully occupying real property will be required to move from the acquired dwelling, business, farm, or non-profit organization (NPO) without being provided a written assurance at least 90 days prior to the earliest date by which they could be required to vacate the property.

- B. WSDOT assures that it will not proceed with any construction project within right of way acquired by WSDOT, UNLESS:
 - 1. Relocation payments and services are provided, as set forth in this chapter.
 - 2. The public is adequately informed of the relocation payments and services available, as set forth in this chapter.

12-3.3 Organization

- A. WSDOT administers the Relocation Assistance Program for all its own acquisitions.
- B. The primary responsibility for the administration and supervision of the program rests with the Acquisition Program Manager.
- C. One or more Relocation Specialists, whose direct responsibility is to provide relocation assistance to the displacees, are assigned to each right of way project where relocation will occur. The Relocation Specialists may have responsibility for more than one project where workloads allow.

12-3.4 Transaction Reviews

12-3.4.1 Region Review

The Region Relocation Assistance Supervisor:

- A. Verifies that the Relocation Eligibility Report has been completed and transmitted to Headquarters (HQ).
- B. Verifies that the Relocation Plan has been approved by HQ and distributed to appropriate disciplines within the region.
- C. Verifies that all the proper notices and relocation brochures have been given to displacees. Forwards original signed copies of notices to the HQ Relocation Reviewer for retention in the official parcel file.
- D. Assures that all appropriate relocation entitlements have been calculated and presented to the displacee.
 - Reviews replacement housing calculation packages.
 - Approves residential moving entitlements.
 - Reviews all residential, nonresidential, and personal property only (PPO) recommendations and claims before submittal to the HQ Relocation Reviewer.
- E. Determines the need for any revisions or re-computations of relocation entitlements that might arise from matters, such as an administrative settlement, uneconomic remainders, or offer withdrawn.
- F. If a claim is considered ineligible for reimbursement, the region is responsible to provide the displacee with a written statement explaining why the claim was ineligible/denied once the determination is made by the region. The written statement must also include language identifying options for the displacee to seek reconsideration of the decision and to appeal the determination. A copy of the written statement shall be sent to HQ for the original file.

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- G. Verifies that all IRIS entries have been made.
- H. On a monthly basis, sends updated relocation status report to HQ.

12-3.4.1.1 HQ Review

The HQ Relocation Reviewer:

- A. Verifies that all necessary and appropriate documentation has been obtained and transmitted to HQ. Notifies the region Relocation Specialist of any missing documentation, incorrect references to citations, incorrect voucher coding, or if any changes are necessary.
- B. Reviews and approves/denies all relocation entitlement calculations, recommendations, and claims submitted by the region Relocation Specialist in accordance with state and federal regulations; authorizes approved payments; and verifies IRIS entries.
- C. Assures that advance payments are properly deducted from total relocation entitlement.

12-3.4.2 Condemnations

12-3.4.2.1 General

After a parcel is turned in for condemnation all contact by the Acquisition section with the property owner should be made through the owner's attorney and the Assistant Attorney General (AAG) assigned to the case, unless direct contact is authorized by the attorneys or the displacee. The region makes all appropriate contacts with tenants, if applicable. Relocation efforts should continue with the displacee unless directed to cease by either the attorney or the displacee.

12-3.4.2.2 Possession and Use Agreements

During the course of negotiations, a property owner may sign a possession and use (P&U) agreement whereby the property owner provides WSDOT with physical possession of the parcel in exchange for payment of WSDOT's offer of just compensation. Although full legal ownership of the parcel is still held by the property owner until final negotiation or court settlement, a replacement housing payment can be made by using a Provisional Payment Agreement ([RES-518](#)). If this option is selected, the region Relocation Specialist should work closely with the AAG to ensure all necessary deductions are made to the condemnation settlement for any refund of the advance Replacement Housing Payment (RHP) due WSDOT.

12-3.4.3 Post-Judgment

12-3.4.3.1 General

As soon as possible, after a verdict or judgment is entered in a condemnation case, the region Relocation Specialist takes appropriate action to complete the relocation process for the displacee.

12-3.4.3.2 Moving Expense

Moving expense payments are handled and processed as for any other displacee.

12-3.4.3.3 Price Differential

A price differential previously calculated and delivered to the displacee by written notice may have to be adjusted if the verdict or judgment differs from the determination of value used as a base for the prior computation of the price differential. Such judgment will be treated as an administrative settlement for purposes of calculating the actual price differential to be paid to the displacee.

- A. In cases of stipulated judgments, the Attorney General's Office (AGO) will usually be able to provide enough information to determine the acquisition cost.
- B. In case of trial before the court or a jury, the result may be a single dollar figure with no explanation, and the basis for a price differential is derived from that plus any additional information that may be gleaned from WSDOT's appraisal or from the AAG report. A call to the AAG who handled the condemnation or wrote the report can provide further information.
- C. In computing price differentials based on judgments (or administrative/stipulated settlements), the following areas are considered:
 1. WSDOT's "acquisition cost" is determined in the same manner as described under the definition of acquisition cost in Section 12-5.1.
 2. In the case of a partial taking or carve out, where the verdict or administrative/stipulated settlement or the voucher does not identify the amount being added for land versus improvements and/or for damages, or if no insight is available from the AAG or others directly involved, it is necessary to use the proportions as determined from WSDOT's appraisal and apply them to the amount of the settlement that is in excess of the appraisal.
 3. In either case, once an award is made a revised Entitlement Letter (RES-507a) will need to be prepared and delivered to the displacee.

12-3.5 Records

49 CFR 24.9
WAC 468-100-009

- A. WSDOT shall maintain adequate records of its relocation assistance activities in sufficient detail to demonstrate compliance with the state and federal statutes, laws, policies, and regulations. All records shall be submitted to HQ for retention. After HQ has a complete relocation file from the region, the region copy may be recycled.
- B. Many of the relocation records will be kept on various relocation forms. A list of relocation forms is provided in Section 13-6 Relocation Assistance Forms.
- C. Relocation records are also maintained in the IRIS database.

12-3.6 Annual Reports

49 CFR 24.9
WAC 468-100-009
Appendix 12-7

- An annual statistical report is submitted every year for the preceding federal fiscal year. The report is forwarded to FHWA not later than October 31st.

12-4 General Policy

12-4.1 General Operation

49 CFR 24.10
WAC 468-100-010

- A. **Appeal Procedures** – Appeal procedures for requesting a formal adjudicative hearing before the Office of Administrative Hearings are available to displacees as described in Section 12-6.5. In addition, HQ offers the displacee review of the region's decision by the Acquisition Program Manager as an informal reconsideration option before proceeding to a formal adjudicative hearing.

49 CFR 24.3
RCW 8.26.105(2)
WAC 468-100-003
Appendix 12-15

- B. **Duplicate Payments Prohibited** – Displacees are not entitled to receive any other payment which substantially duplicates the general purpose and effect of any other payment or project cost received by that displacee as described in this manual. This includes payments received under federal, state, local law, or insurance proceeds which are determined by WSDOT to have the same purpose and effect.
- C. **Letter Withdrawing Offer (RES-351)** – If a decision is made by WSDOT to withdraw an offer to purchase from a property owner, and relocation is involved, the region Acquisition Specialist shall forward a copy of the letter withdrawing the offer to the region Relocation specialist (see [Chapter 6](#)).

49 CFR 24.501
WAC 468-100-501

- D. **Mobile Home Occupants** – Mobile home occupants are offered replacement housing payments as regulated by [Section 12-9](#).

49 CFR 24.401(d)
WAC 468-100-401(4)

- E. **Moving Expense Agreement (RES-540/540a)** – Used for all moves to ensure that WSDOT and the displacee have reached an agreement on the moving expense option(s) to be used by the displacee.

49 CFR 24.203(c)
WAC 468-100-203(3)

- F. **Ninety-Day Assurance (RES-505, 506, 507/507b/507c, 508/508a, 509, 510, 511a/511b/511c)** – Owners and tenants are not required to move without being provided a written assurance at least 90 days prior to the earliest date by which they could be required to vacate the property as specified in Section 12-6.4.5.

- G. **Notice to Vacate (RES-427)** – A written notice to vacate the property (i.e., 30Day Notice to Vacate) is provided to the displaced person by Property Management as specified in [Chapter 11](#).
- H. **Occupancy of the Displacement Site after WSDOT Acquires Possession (RES 415, 416)** – Leasing to the original displacee following WSDOT's acquisition ("payment available date" shown in IRIS) is allowed by a signed Displacee Lease under the approval of the region RESM (see [Chapter 11](#)).
- I. **Personal Contacts** – Personal contacts with displacees are made by the region Relocation Specialists in accordance with Section 12-6.1.4. The region Relocation Specialist makes detailed entries in the Diary of Right of Way Activities covering every contact, meeting, etc., with any party in interest. These entries are made as soon as possible after each contact to assure accuracy.
- J. **Preliminary Investigation** – Preliminary investigation of project impacts on displacees and availability of replacement housing is made by the region Relocation Specialist in accordance with Section 12-5.2.
- K. **Protective Rent** – If a tenant vacates the property before WSDOT acquires possession, it may be appropriate for WSDOT to enter into a lease and pay protective rent to the property owner to prevent the property from being rented to another tenant. Both the Acquisition and Relocation Specialist need to coordinate activities. The region Relocation Specialist should notify the region Acquisition Specialist if a tenant wishes to vacate prior to WSDOT possession; see [Chapter 6](#) for procedures.
- L. **Reassignment of a Relocation Assistance File** – When a relocation parcel file is reassigned, the current assigned Relocation Specialist must turn over an organized and updated file with all correspondence to their supervisor or the newly assigned Relocation Specialist. At a minimum, the file should contain:
- An updated checklist.
 - Eligibility Report.
 - Current signed diary with a statement that the file is being reassigned to another Relocation Specialist.
 - Correspondence such as emails, letters/notices, notes, etc.
 - Documents such as photos, forms, leases, purchase and sale agreements, etc.
- M. **Relocation Assistance** – Relocation assistance offices are located in HQ and each WSDOT region office. Additional offices (field offices) may be provided and operated in accordance with Section 12-6.2.
- N. **Replacement Value Insurance** – Insurance obtained either by WSDOT or a displacee to cover the displacee's personal property during the move to a replacement site. Such insurance may cover the costs of disconnecting, packing, loading, transporting, unloading, unpacking, and reconnecting the personal property.

12-4.2 Project Regulations

- A. **Payments Authorized** – Relocation assistance payments to eligible displacees may be authorized when all of the following conditions have been met:
 1. **Program Approval and Authorization** – When there has been approval of a program or project and authorization to proceed has been issued.
 2. **Displacee Relocated** – When in fact a displacee has been or will be relocated by the project or from the right of way approved for such project.
 3. **Lawful Costs** – When relocation costs are lawfully incurred.
 4. **Costs Recorded as Liability** – When relocation costs are recognized and recorded as a liability of WSDOT.
 5. **Project Agreement Executed** – After the project agreement (if required) has been executed for the particular project involved.
 6. **Federally Assisted Right of Way Projects** – After federal participation in relocation assistance costs has been authorized. This requirement does not apply to projects funded with state funds.
- B. **Interest Acquired** – The type of interest acquired does not affect the eligibility for relocation assistance payments provided the interest acquired is sufficient to cause displacement. In like manner, the terms under which a tenant is occupying property does not affect eligibility provided the tenant is actually displaced by the project and the occupancy is lawful.
- C. **Losses Due to Negligence** – Losses due to negligence of the displacee, the displacee's specialist, or displacee's employees are not eligible for payment.
- D. **Deductions from Relocation Payments** – The region Relocation Specialist must deduct the amount of any advance relocation payment from the relocation payment(s) to which the displacee is otherwise entitled. WSDOT will not withhold any part of a relocation payment to a displacee to satisfy an obligation to any creditor.
- E. **Availability of Replacement Housing** – No person to be displaced shall be required to move from the acquired dwelling unless at least one comparable replacement dwelling has been made available to the person. Where possible, three or more comparable replacement dwellings shall be made available. A comparable replacement dwelling will be considered to have been made available to the displacee, if:
 1. The person is informed of the replacement dwelling's location, which is provided to the displacee in the Notice of Eligibility, Entitlements and 90-Day Assurance Letter (RES-508, 509, 510, 511a, 511b, 511c).
 2. The person has sufficient time to negotiate and enter into a purchase and sale agreement or lease for the replacement property.

49 CFR 24.403(a)(6)
WAC 468-100-403(1)(f)

49 CFR 24.2(6)
WAC 468-100-002(6)

3. Subject to reasonable safeguards, the person is assured of receiving the relocation assistance and acquisition payment to which the person is entitled in sufficient time to complete the purchase or lease of the replacement property.
4. **Comparable Replacement Dwelling – Short Sale Homes or Bank/REO (Real Estate Owned) Homes** – It is common to see short sale listings and bank or REO homes listed on the Northwest Multiple Listing Service (NWMLS) or other multiple listing services (MLS) systems. The difference between the two types of listings are:
 - **Short Sale Homes** – When dealing with short sales, there is a third party (bank) involved in the transaction. Once an offer is made to the homeowner on a short sale property and there is mutual acceptance between the owner and the buyer, they are then required to get acceptance on the offer from the bank. This process can take months to complete and the average short sale transaction is about 6.5 months. If the home has multiple mortgages then all banks must approve the offer. Short sale homes are not considered available by WSDOT standards and should not be used as the comparable home selected to compute the RHP.
 - **Bank/REO Owned Homes** – Before the home becomes a bank foreclosure sale or REO, it is auctioned through the county. If it does not sell at auction, it becomes an REO home and is then listed by a licensed real estate agent for sale on behalf of the bank. If a home is bank/REO owned, the process can be quicker than a short sale, but you are still dealing with a bank rather than an individual homeowner. This can delay the process; these homes should not be used as a comparable to compute the RHP.

If the displacee chooses to purchase a bank/REO property or a short sale, and the purchase takes longer than expected, the region Relocation Specialist must advise the displacee of the following:

- It may be necessary for WSDOT to issue a notice to vacate that requires the displacee to vacate once the 90-day assurance period has expired. Under such circumstance, WSDOT cannot approve costs associated with a double move (i.e., storage, per diem, temporary housing, etc.).
- F. **Federally Assisted Projects with a Right of Way Phase** – The costs of providing relocation payments and services required by this chapter are eligible for federal participation in the same manner and to the same extent as other project costs.
 - G. **Administrative Costs** – Only those costs directly chargeable to a given transportation project are charged to such project.
 - H. **Refusal of Assistance** – A displacee can refuse relocation services and still be eligible for payments. There is no requirement that a displacee accept the services of WSDOT in relocating if not desired. However, it is necessary that the displacee make application within the required time limits to qualify for relocation payments and that, in a residential situation, the replacement dwelling meet WSDOT's standards for decent, safe, and sanitary (DSS) housing.

- I. **Property Not Incorporated Into Right of Way** – If relocation is made necessary by an acquisition for the project, even though the property acquired is not incorporated within the final right of way, monetary relocation entitlements may be approved by the Acquisition Program Manager. The region Relocation Supervisor must provide a detailed memorandum (with map) setting forth the circumstances for the request to the Acquisition Program Manager. A copy of the appraisal and determination of value (DV) is also requested. If federal funds are proposed to be used for relocation or acquisition costs for property not incorporated into the final right of way, they can only be used for material sites, property acquisitions to a logical boundary, disposal of hazardous materials, environmental mitigation, and easements for permanent or temporary use.
- J. **No Waiver of Relocation Assistance** – WSDOT shall not propose or request that a displacee waive his or her rights or entitlements to relocation assistance and entitlements provided by the Uniform Act and governing regulations. While a displacee may, for whatever reason, choose not to claim a payment, under no circumstances may WSDOT request or imply that a displacee should waive their rights to any such payment or other eligible relocation assistance. Any such action would put federal funds in the project in jeopardy.

49 CFR 24.207(f)
WAC 468-100-207(6)

12-4.3 Disaster Project Regulations

49 CFR 24.204(b)
RCW 8.26.075(3)
WAC 468-100-204(2)

- A. **General** – The requirement that no person shall be required to move unless at least one comparable replacement dwelling is made available may be waived in any case where it is demonstrated that a person must move because of:
 1. A major disaster as defined in the Disaster Relief Act of 1974 (42 U.S.C. 5122); or
 2. A presidentially declared national emergency; or
 3. Another emergency, which requires immediate vacation of the real property, such as when continued occupancy of the displacement dwelling constitutes a substantial danger to the health or safety of the occupants and/or the public.
- B. **Basic Conditions of Emergency Move** – Whenever a person is required to relocate for a temporary period (defined as lasting no longer than a 12 month period) because of an emergency as described in paragraph A of this Section, WSDOT shall:
 1. Take whatever steps are necessary to assure that the person is temporarily relocated to a DSS dwelling.
 2. Pay the actual reasonable out-of-pocket moving expenses and any reasonable increase in rent and utility costs incurred in connection with the temporary relocation.
 3. Make available to the person as soon as feasible, at least one comparable replacement dwelling. (For purposes of filing a claim and meeting the eligibility requirements for a relocation payment, the date of displacement is the date the person moves from the temporarily-occupied replacement dwelling.)

49 CFR 24.204(c)
WAC 468-100-204(3)

C. Tenure of Occupancy

1. Individuals and families whose homes have been damaged or destroyed by a major disaster and who have not been able to reoccupy their homes by the start of negotiations for the parcel may be considered to be in constructive occupancy and funds may be authorized for relocation payments to such individuals and families, provided that, location approval for the project had been given by the Secretary of WSDOT prior to the major disaster.

D. Computation of RHP for an owner of at least 90-Days who purchases

1. **Fair Market Value of Acquired Residence** – The fair market value of damaged or destroyed residences is the value prior to the emergency or disaster.
2. **Computation** – The RHP is the amount, if any, which when added to the amount for which WSDOT acquired the damaged or destroyed dwelling equals the lesser of:
 - a. The actual amount the owner paid for a DSS dwelling; or
 - b. The amount determined by WSDOT as necessary to purchase a comparable dwelling.
3. **Duplicate Payments** – Any proceeds received for payment of damages to the displacee's residence as a result of the major disaster, from any source, such as flood insurance or cancellation of a portion of a Small Business Administration (SBA) loan is deducted from the RHP for which the displacee is eligible.

49 CFR 24.3
WAC 468-100-003

12-4.4 Deviation from Procedures

Any deviation from procedures outlined in this chapter will require the region to submit a request to the Acquisition Program Manager outlining the issues. The request must include sufficient documentation as to why the procedure cannot be followed and the alternative solution. (**Caution:** If a project is federally funded, any deviation from procedures without approval will jeopardize federal funding.)

12-5 General Relocation

12-5.1 Definitions

49 CFR 24.2
RCW 8.26.020
WAC 468-100-002

Definitions relating to relocation assistance and the Uniform Relocation Act can be found in [WAC 468-100-002](#). Additional definitions and clarification are as follows:

- A. **Acquired** – For the purpose of this chapter, “acquired” means WSDOT obtained legal possession of the real property. The date of such possession is the date on which final payment for the property is made available to the owner(s) or to the court. Where WSDOT has obtained early possession under a P&U, legal possession is the time specified in the pertinent document or, if not specified in such document, upon making payment as required by such document.

- B. **Acquisition Cost** – For the purpose of computing the RHP, the “acquisition cost” is the cost WSDOT pays for the property acquired. The amount is determined from the Real Property Voucher. The amount of any administrative settlement is included and remains a part of the final settlement. Any amount paid by the displacee for salvage rights is considered an expenditure by the displacee toward the purchase of replacement housing as described in Section 12-7.3.1B(1)(c). The amount of the “final settlement” in the case of a donation is considered to be fair market value. For court award cases or cases involving an administrative settlement, the amount of the just compensation is analyzed to determine acquisition cost.
- C. **Business** – In addition to the definition found in [WAC 468-100-002](#), a business is also referred to as “Nonresidential Displacee.”
- D. **Carve Out** – A “Carve-out” is a term commonly used to describe the method for determining what portion of property occupied by a residential owner of 90 days or more is to be used in computing the RHP. A carve-out is typically used if the displacee is situated on a site either larger than typical for residential purposes; if the property is actually occupied by or used for other purposes; or the property contains a major exterior attribute which the comparable does not contain.
- E. **Certified Copy** – A “certified copy” is a copy (often a photocopy) of a “filed” document, legal, or other, in its entirety that is sworn to be a true and correct copy by the individual who prepared it, i.e., accountant, attorney, business owner. The statement can be as simple as the following: “I hereby certify that this document is a true and correct copy.”
- F. **Financial Means** – The following criteria are used in determining financial means:
 - 1. A replacement dwelling purchased by a homeowner in occupancy at the displacement dwelling for at least 90 days prior to initiation of negotiations (90-day homeowner) is considered to be within the homeowner’s financial means if the homeowner will receive the full price differential, all increased mortgage interest costs, and all incidental expenses, as described in Section 12-7.3, plus any additional amount required to be paid under Section 12-7.4, Housing of Last Resort.
 - 2. A replacement dwelling rented by an eligible displacee is considered to be within the displacee’s financial means if, after receiving rental assistance under this part, the monthly rent and estimated average monthly utility costs for the replacement dwelling do not exceed the displacee’s base monthly rental for the displacement dwelling as described in Section 12-7.3.
 - 3. For a displacee who is **not** eligible to receive a RHP because of failure to meet length-of-occupancy requirements, comparable replacement rental housing is considered to be within a person’s financial means if WSDOT pays that portion of the monthly housing costs of a replacement dwelling which exceed 30 percent of the displacee’s gross monthly household income or, if receiving a welfare assistance payment from a program that designates amounts for shelter and utilities, the total of the amounts designated for shelter and utilities. Such rental assistance must be paid under Section 12-7.4, Housing of Last Resort.

- G. **Mortgage** – 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 of Washington together with the credit instruments. A real estate contract is considered to be a mortgage for the purposes of this chapter. A bona fide mortgage is a mortgage, which is a valid lien on the real property for not less than 180 days prior to the initiation of negotiations.
- H. **Moving Expense Payments** – The amount necessary to pay or reimburse an eligible displaced person, business, farm, or NPO for certain expenses related to moving their personal property located on the displacement property.
- I. **Nonresidential** – The term nonresidential includes a business operation, farm operation, or NPO.
- J. **Personal Property Only (PPO)** – A move of personal property from the acquired property for project purposes where there is not a need for a full relocation of a residence and/or a nonresidential operation.
- K. **Place of Permanent or Customary and Usual Abode (Permanent Place of Residence)** – A dwelling, legally used and occupied as living quarters or residence by a person or family with apparent intent to continue such use and occupancy. If a question arises, the region Relocation Specialist will need to obtain legal documents to support residency, i.e., utility bills, driver's license, voter registration, auto registration, etc.
- L. **Replacement Housing Payment (RHP)** – Any payments authorized to be paid to eligible displacee's to enable such displacee to obtain replacement housing. There are five types of authorized payments, as follows:
 - 1. **Incidental Purchase Expense** – The amount necessary to pay or reimburse a displacee for certain actual costs incurred by the displacee incidental to the purchase of an eligible replacement dwelling, including but not limited to recording fees, escrow fees, title insurance premiums, appraisal fees, credit report fees, home inspection fees, and transfer taxes. (Does not include prepayment of any expenses; see Section 12-7.3.)
 - 2. **Mortgage Interest Differential Payment (MIDP)** – The amount, as determined by WSDOT, necessary to compensate an eligible 180day owner occupant for an increased interest cost required to obtain a mortgage for the purpose of purchasing an eligible replacement dwelling. In addition, such finance charges as may be imposed as a condition to the making of such a mortgage.
 - 3. **Price Differential** – That amount, in addition to the just compensation paid by WSDOT, which is necessary to enable an eligible displacee to purchase an eligible replacement dwelling. The computation is based on the most comparable dwelling selected by WSDOT.
 - 4. **Rent Supplement** – The amount, determined by WSDOT, necessary to compensate an eligible displacee for the increased cost of renting an eligible replacement dwelling. The computation is based on the most comparable dwelling selected by WSDOT.

5. **Down Payment Assistance** – The amount necessary to enable an eligible displacee to make a down payment (including eligible incidental purchase expenses) on the purchase of an eligible replacement dwelling. Payment is limited to the maximum rent supplement calculated for the displacee. A 90-day owner occupant is not eligible for this type of payment.
- M. **Uneconomic Remnant** – The term “uneconomic remnant” refers to a remainder of the owner’s real property which WSDOT has determined will have little or no value or utility to the owner after WSDOT’s acquisition of a portion of the tract.
- N. **Utilities** – A privately, publicly, or cooperatively owned line, facility, or system for producing, transmitting, or distributing communications, cable television, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water not connected to highway drainage, or any other similar commodity ([23 CFR 645.105](#)).

12-5.2 Relocation Planning (Environmental NEPA/SEPA Stage)

12-5.2.1 Preliminary Plans

49 CFR 24.205
RCW 8.26.065
WAC 468-100-205
49 CFR 24.205(a)
RCW 8.26.065(1)
WAC 468-100-205(1)

Detailed information and analysis of displacements may be required at various stages prior to development of a Relocation Project Plan as required by Section 12-5.2.2. Some examples of preliminary stages are Environmental Impact Statements (EIS), Environmental Assessment, Discipline Report, etc. Information included in the document or report may be obtained by visual inspection of the area and from readily available secondary or community sources. Reports at this level should not include parcel specific information such as names and possible addresses of potential displacements. This information, if collected, should be kept in a separate project file. Region Real Estate Services staff will gather the necessary information at the request of the Environmental office. It also should be noted that secondary information collected during this phase of the project may cover many different alternatives prior to the selection of the preferred alternative. The document or report usually requires the following information:

- A. Estimate of households to be displaced, including the family characteristics (e.g., minorities, income levels, the elderly, large families, owners or tenants).
- B. Divisive or disruptive effect on the community, such as separation of residences from community facilities or separation of neighborhoods.
- C. Impact on the neighborhood and housing where relocation is likely to take place.
- D. An estimate of the businesses to be displaced and general effect of business dislocation on the economy of the community.
- E. A description of housing available for sale in the area, not including short sales and bank/REO owned properties, and the ability to provide replacement housing for the types of families to be displaced. Keep in mind that the displacement of families may not be scheduled for the immediate future and a discussion of the estimated availability rate of future housing may be necessary.
- F. A description of special relocation advisory services that will be necessary for identified unusual conditions.

- G. A description of the actions proposed to remedy insufficient replacement housing including, if necessary, housing of last resort.
- H. Results of consultation with local officials, social agencies, and community groups regarding the impacts on the community affected.

12-5.2.2 Project Relocation Plans (Right of Way Stage)

49 CFR 24.205(a)
RCW 8.26.065(1)
WAC 468-100-205(1)

Project relocation plans are required on all projects that will cause the displacement of individuals, businesses, or personal property. The plan itself should provide detailed firsthand information regarding the affected occupants of the project. This plan will provide important displacement information as well as estimated relocation costs for the project. A relocation plan is a great planning and communication tool and is considered the framework for implementation of the relocation program.

12-5.2.2.1 General Requirements

- A. Negotiations are not initiated on any project which will cause the relocation of any person until the region Relocation Supervisor has submitted a Relocation Project Plan to the HQ Relocation Reviewer for review and approval.
- B. Prior to submitting a request for funds (request for work order authorization) the region Relocation Supervisor prepares a relocation plan in coordination with personnel assigned to prepare the Project Funding Estimate (PFE). Such plan is submitted to the HQ Relocation Reviewer for review and approval. Upon approval, a copy of the approved plan is returned to the region showing such approval and a copy is provided to HQ Appraisal, Property Management, and Acquisition/Title sections. The region Relocation Supervisor should distribute an approved copy of the plan to each discipline within their region.
- C. The region Relocation Specialist should deliver a relocation brochure to any displacee at the time the specialist is collecting the information on the Occupancy Survey (RES-532, 533, 534) for the preparation of the relocation plan. If appropriate, the region Relocation Specialist may also deliver a General Notice of Relocation Rights letter (RES-501, 502, 503, 504). If the timing is not appropriate, it should be given out closer to the initiation of negotiations in accordance with Section 12-6.4.

12-5.2.2.2 Project Relocation Plan Contents

A Relocation Project Plan covers the methods and procedures by which the needs of every displacee will be evaluated and correlated with available DSS housing within the displacee's financial means and will cover information regarding business, farm, and NPO displacements that is required by federal regulations. The input for the plan is developed from the Occupancy Survey (RES-532, 533, 534) prepared by the region Relocation Specialist on each acquisition parcel requiring the displacement of persons or personal property from the project. The plan contains a tabulation of data, photographs, and narrative. Contact HQ for a sample of an appropriate relocation plan.

A. General

1. The plan should contain a statement of “Assurances” that WSDOT will inform the public of relocation payments and services that will be available and will provide such payments and services. In addition, a statement will advise that no person lawfully occupying real property will be required to move from the acquired dwelling, business, farm, or NPO without being provided a written assurance (RES-505, 506, 507, 507b, 507c, 508) at least 90 days prior to the earliest date by which they could be required to vacate the property. No person to be displaced from a residential dwelling shall be required to move unless at least one comparable replacement dwelling is made available.
2. A description of the project including information on limits, area location, purpose of the project, type and extent of work, and any other pertinent information deemed appropriate by the plan author.
3. A brief discussion of the number of parcels to be acquired and the resulting number of displacements by type (residential owner, residential tenant, business, and/or personal property only).

- B. Inventory of Individual Needs (Occupancy Survey (RES-532, 533, 533a, 534))** – An inventory of the characteristics and needs of individuals, families, businesses, and/or personal property to be displaced. Photos of the subject dwelling should be included as an attachment or incorporated into the plan. The completed occupancy surveys should be included as an attachment to the plan. Recent census and other valid survey data obtained from city and/or county planning departments, redevelopment agencies, precinct registers, etc., may be used to assist in preparing the inventory. The survey process is carried out to the depth necessary to fully identify the characteristics and needs of the displacee.

1. Residential Displacements

- a. Each potential displacement should include specific information obtained during the Occupancy Survey. This shall include a personal interview with the displacee to obtain such information.
- b. Housing needs are determined by analysis of needs for DSS replacement housing. This does not necessarily mean a replacement in kind for the dwellings to be acquired. It means providing DSS housing that meets the needs of the occupants being displaced. The financial means of the displacees are also considered and discussed in the report.
- c. The plan should include information such as owner/tenant status, estimated value, and rental rates of properties to be acquired, family characteristics, and special consideration of the impacts on minorities, the elderly, large families, and persons with disabilities when applicable.

2. Nonresidential Displacements (businesses, farm, NPO)

- a. The plan should determine the relocation needs and preferences of each displacement. It should also explain the relocation payments and other assistance for which the business, farm, or NPO may be eligible to receive. This shall include a personal interview with each business; Nonresidential Occupancy Survey (RES-533).
- b. At a minimum, interviews with displaced business owners and operators should include the following items:
 - (1) The business's replacement site requirements, current lease terms and other contractual obligations, and financial capacity of the business to accomplish the move.
 - (2) Determination of the need for outside specialists that will be required to assist in planning the move, assistance in the actual move, and any reinstallation of machinery and/or other personal property.
 - (3) An identification and resolution of personalty/realty issues. Every effort must be made to identify and resolve personalty/realty issues prior to, or at the time of the appraisal of the property.
 - (4) An estimate of the time required for the business to vacate the site.
 - (5) An estimate of the anticipated difficulty in locating a replacement property.
 - (6) An identification of any advance relocation payments requested for the move. WSDOT shall provide them in hardship situations pursuant to [WAC 468-100-207\(3\)](#).
- c. The report should also discuss the type and size of the businesses, farms, and/or NPO to be displaced and the approximate number of employees that may be affected.

C. Inventory of Available Housing and Business Sites – A reliable estimate of comparable replacement housing currently available on the housing market (not including short sales and bank/REO owned homes) and an estimate of the availability of replacement business sites for the general project area.

1. The types of buildings and the adequacy of supply of DSS housing as related to the needs of the persons or families to be relocated. Further discussion of type of neighborhood, proximity of public transportation, commercial shopping areas, and distance to any pertinent social institutions, such as church, community facilities, is desired. The use of maps, plats, charts, etc., is useful at this stage. This estimate is developed to the extent necessary to assure that the relocation plan can be expeditiously and fully implemented.
2. Data on the availability of housing is gathered by any reasonable method such as: updating and using data previously gathered; using sources such as multiple listing services/bureaus, internet websites such as Craigslist, individual brokers, real estate management companies, associations of landlords, rental agencies;

and direct contact with apartment owners or managers, local planning offices, other governmental offices which regulate construction of homes and other buildings, and public utility companies which continuously study population growth and/or trends. Newspaper advertising and other printed resources can also be utilized.

3. The inventory of available residential housing should summarize:
 - a. The number of comparable replacement dwellings in the area (including price ranges and rental rates) that are expected to be available to fulfill the needs of those displacees. When an adequate supply of comparable housing is not expected to be available, WSDOT should consider housing of last resort actions.
 - b. The monthly (or annual) rate of “turn over” in the sale and rental markets.
 - c. The rate at which new housing is being added.
 - d. A projection of the amount of housing which will become available within the lead time during which acquisition and right of way clearance will take place.
 4. The inventory of available nonresidential sites should summarize:
 - a. 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 business should be considered and addressed.
 - b. 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 any anticipated moving issues.
- D. **Analysis of Inventories** – An analysis and correlation of the above information is used to develop a relocation plan which:
1. Discusses the various relocation issues, which may include cases concerning low income and minority groups.
 2. Provides an analysis of current and future federal, state, and community programs in the project areas, and nearby areas, which could affect the supply and demand for housing.
 3. Provides an analysis of said issues and offers potential resolutions.
 4. Estimates the amount of lead time required and demonstrates its adequacy to carry out a timely, orderly, and humane relocation program.
- E. **Sources of Information** – The plan shall identify the names/sources from which information was obtained and relied upon for the report.

- F. **Project Relocation Assistance Office** –The plan shall give a brief discussion addressing the intended means by which displacee's and adjacent occupants will have reasonable access to adequately staffed offices and how such offices will be operated, staffed, and equipped to provide relocation assistance services. This discussion should encompass the need or lack of need for project relocation assistance offices, the hours of operation, the location of said office, and the resources to be available at said office.
- G. **Alternate and/or Housing of Last Resort Needs**
 - 1. Such plan should discuss the impact of the project on available replacement housing within the financial means of the displacee.
 - 2. Explain in the plan that either:
 - a. There is an adequate, continuing supply of replacement housing available within the financial means of the displacee, or
 - b. A "Housing of Last Resort" plan will be prepared on a case-by-case basis.
- H. Maps, plats, charts pictorial, and/or graphic data which further illustrates the needs of the displacee or describes the availability or lack of availability of suitable replacement housing may be included with the report. Approved right of way plans are not included as a part of this plan but are available in the appropriate region and HQ offices.
- I. Include a summary of total estimated relocation project costs, i.e., residential, nonresidential, and personal property.

12-6 Relocation Advisory Services

12-6.1 General

49 CFR 24.205(c)
RCW 8.26.065(2)
WAC 468-100-205(3)

WSDOT has established and carries out a Relocation Assistance Advisory Services Program so that displacees will receive uniform and consistent services and payments regardless of race, color, religion, sex, or national origin. Services are provided by personal contact by the region Relocation Specialist. If personal contact cannot be made, the Relocation Specialist documents the file to show that reasonable efforts were made to achieve personal contact.

12-6.1.1 To Whom Provided

49 CFR 24.2(a)(9)

Relocation assistance advisory services are offered to:

- A. Any "displaced person" as defined in [WAC 468-100-002\(9\)](#).
- B. Any adjacent occupant when WSDOT determines that such person or persons are caused substantial economic injury because of the acquisition.
- C. Any person who, because of the acquisition of real property used for the person's business or farm operation, moves from other real property used for a dwelling, or moves personal property from such other real property.

12-6.1.2 Minimum Advisory Services

The region Relocation Specialist provides relocation assistance advisory services to include such measures, facilities, or practices as may be necessary or appropriate. The amount and extent of the advisory services are administered on a reasonable basis commensurate with the needs of the displacee.

A. For all displacements, the Relocation Specialist shall:

1. Determine the need, if any, of the displacee(s) for relocation assistance by completing the appropriate occupancy survey (RES-532, 533, 533a, 534). The form should be completed by the region Relocation Specialist during the onsite visit with the displacee. The region Relocation Specialist should ask all questions on the form. If the displacee advises during the interview that the question is not applicable the specialist should note that on the form and in the diary.
2. Explain the types of relocation payments, move options, and the eligibility requirements to receive relocation payments and assist in completing any required forms.
3. Advise the displacee that they will be provided with a written 90 Day Assurance (RES-505, 506, 507, 507b, 507c, 508, 509, 510) of the earliest date they will be required to vacate the displacement property.
4. Advise the displacee that no payments received under the Uniform Act shall be considered as income for the purposes of the Internal Revenue Code of 1954 which has been re-designated as the Internal Revenue Code of 1986 or for the purposes of determining the eligibility or the extent of eligibility of any person for assistance under any state or federal law.
5. Advise the displacee that they have the right to appeal WSDOT's determinations regarding relocation assistance or relocation payment amounts and as an option may seek informal reconsideration of WSDOT's determinations by the HQ Acquisition Program Manager of the decision, prior to commencing a formal appeal.

49 CFR 24.203(c)
WAC 468-100-203(3)

49 CFR 24.209
RCW 8.26.115
WAC 468-100-209

49 CFR 24.10
WAC 468-100-010

B. For residential displacements, the region Relocation Specialist shall:

1. Provide current information regarding the availability, purchase prices, and/or rental costs of comparable DSS housing, and explain that the displacee cannot be required to move unless at least one comparable replacement dwelling is made available. As necessary provide additional available replacement dwellings.
2. Discuss DSS replacement requirements with the displacee. Advise the displacee that WSDOT strongly recommends they obtain a professional home inspection by a qualified home inspector when purchasing a replacement dwelling; the DSS inspection does not replace a professional home inspection. If the displacee is a 90day owner occupant, the displacee should be advised that the home inspection is reimbursable by WSDOT. The Purchase and Sale Agreement for the replacement dwelling should be contingent on both the home inspection and the DSS inspection. For a displaced residential tenant who elects to purchase a replacement home using Down Payment Assistance the home inspection is also

49 CFR 24.204
WAC 468-100-204

49 CFR 24.401
49 CFR 24.402(c)
WAC 468-100-401
WAC 468-100-402(3)

reimbursable, however it is part of their original RHP and not paid in addition to their maximum rent supplement.

3. Inform the displacee that the actual RHP is based on a dwelling similar to the displacement dwelling occupied, and acquired by WSDOT for construction of the project. If the displacee chooses to purchase a replacement dwelling that is not similar to the displacement dwelling the RHP will be adjusted accordingly. For example, if the displacee lives in a single-family residence and purchases a duplex, then only one unit of the duplex could be considered in the actual calculation. On the other hand, if they purchase one unit of a duplex and it is generally comparable to the subject except for being a duplex unit rather than a single-family, they might still be able to claim the full RHP.
4. As soon as feasible, WSDOT shall inform the displacee in writing of the specific comparable replacement dwelling and the price or rent used for establishing the upper limit of the RHP and the basis for the determination so that the displacee is aware of the maximum RHP for which the displacee may qualify.
5. Where feasible, housing shall be inspected prior to being made available to assure that it meets applicable standards. If such an inspection is not made, WSDOT shall notify the displacee that a RHP may not be made unless the replacement dwelling is subsequently inspected and determined to be DSS.
6. Supply information concerning federal and state housing programs, disaster loan programs, and other federal or state programs offering assistance to displacees, and technical help applying for such assistance.
7. Any displacee who may be eligible for government housing assistance at the replacement dwelling shall be advised that the requirements of such government housing assistance program dictate the comparable dwelling made available to them.
8. Offer to provide transportation to search for or view replacement housing.
9. Provide other advisory services to minimize hardships to any such displacee adjusting to a new location as appropriate.
10. For a tenant displacement, the region Relocation Specialist determines if the tenant paid a damage deposit, and first and/or last month's rent to their landlord. This information should be recorded on the Residential Occupancy Survey (RES-532) and provided to the region Acquisition Specialist. Further, If the displacee paid rent that extends beyond the date when WSDOT takes ownership of the property, they are to be advised to seek proration of that rent from the landlord, not WSDOT.
11. Explain the moving options available and the differences between the commercial move and the self-move options, i.e., fixed residential moving cost schedule (room count) and actual costs.

49 CFR 24.205(c)(2)(ii)(B)
WAC 468-100-205(4)(b)(ii)

49 CFR 24.205(c)(2)(ii)(C)
WAC 468-100-205(4)(b)(iii)

49 CFR 24.205(c)(2)(ii)(D)
WAC 468-100-205(4)(b)(iv)

49 CFR 24.205(c)(2)(ii)(F)
WAC 468-100-205(4)(b)(vi)

49 CFR 24.205(c)(2)(ii)(E)
WAC 468-100-205(4)(b)(v)

49 CFR 24.205(c)(2)(iv)
WAC 468-100-205(4)(d)

49 CFR 24.301(b)
WAC 468-100-301(2)

12. Advise the displacee if they choose to purchase a bank/REO property or a short sale and it takes longer than expected and the ad date is approaching, they could be required to move once their 90-day assurance expires and WSDOT will not approve costs associated with a double move (i.e., storage, per diem, temporary housing).
- C. For nonresidential displacements, the level of advisory services may be different for each displaced business, farm, or NPO depending on the complexity of the displacement. The Relocation Specialist shall:
 1. Provide current and continuing information on the availability, location, purchase prices, and rental costs of suitable commercial and/or farm properties. The region Relocation Specialist should advise the displacee to seek the services of a local commercial real estate agent.
 2. Assist the business, farm operation, or NPO in obtaining and becoming established in a suitable replacement location. This should include advice regarding potential moving and reestablishment claims based on the selection of a suitable replacement site. At a minimum, the specialist should explain all categories of potential reimbursements available under reestablishment expenses.
 3. Advise the displacee that professional services obtained by them must be preapproved by WSDOT as the determination will be made based on what is reasonable and necessary for their type of relocation. Not all businesses require professional services. Advise displaced business owners that prior to entering into a contractual obligation for professional services, that they must obtain a minimum of two "Scopes of Work" estimates. As part of advisory services, the Relocation Specialist should review the Scopes of Work to determine which items listed are considered eligible for reimbursement and advise the displacee appropriately. Advise the displacee that professional services are categorized into three sections:
 - a. Professional services to plan the move, plan the placement of the personal property at the replacement location, and the actual move of the personal property.
 - b. Professional services performed prior to the purchase or lease of the replacement site to determine suitability of the replacement site.
 - c. Professional services obtained to reestablish at the replacement site.
 4. Encourage the displacee to work closely with their Relocation Specialist throughout the entire relocation.
 5. As soon as feasible, discuss completing the site search log and discuss and document approved hourly rates for specific activities of the various employees (different rates may be considered reasonable for different types of activities). The region Relocation Specialist and Relocation Supervisor need to agree upon and pre-approve a reasonable rate for the displacee performing the site search tasks.

49 CFR 24.301(g)(12)
WAC 468-100-301(7)(i)

49 CFR 24.303(b)
WAC 468-100-303(2)

49 CFR 24.304(7)
WAC 468-100-306(1)(g)

6. Provide the displacee with a large envelope with the Nonresidential Obsolete Printed Items form ([RES-545](#)), to be completed and returned as soon as possible. Obsolete printed items include items such as letterhead, business cards, checks, etc., that become obsolete due to the displacee's change of address to the replacement location. Explain they will need to supply a copy of each item that will need to be reprinted due to the move in order to be reimbursed for printing costs. Prior to the move, the region Relocation Specialist must complete an inventory of each item considered obsolete. Photographs may be appropriate in some cases. Discuss reprinting options with the displacee, such as using stickers to be placed over the address; such options may be more cost effective and environmentally friendly.
7. It may be necessary to refer the business to an industry professional for technical or code issues.
8. If the displacee has questions regarding relocation funds not being considered income, advise them to speak with a tax accountant; WSDOT cannot provide legal or tax advice.
9. Clearly explain Substitute Personal Property (SPP) and Actual Direct Loss of Tangibles (DLT) early in the process and prior to obtaining professional move bids. This will allow the business owner to make informed decisions regarding their relocation. These are options that a nonresidential displacee may select, so it is important that the region Relocation Specialist clearly and fully understands how they are computed and used.
10. It is strongly advised that the region Relocation Specialist and the business owner both be present during the appraisal walk through to discuss Realty vs. Personalty issues. In addition, the displacee needs to understand the importance of the differences between realty and personalty. If there are questionable items, the region Relocation Specialist and the appraiser need to discuss what is the appropriate way to handle the item in question. In order to avoid confusion at a later date, the Appraiser should detail the items on the Realty vs. Personalty Report ([RES-217](#)). If the item is not discussed in the appraisal, it does not automatically make the item personal property and eligible for relocation assistance. If not addressed, the region Relocation Specialist will need to consult with the appraiser to get a determination as to the status of the item. When a displaced business wants to keep an item that is considered real property, it should be handled according to procedures set forth in [Chapter 6](#), addressing the salvage of real property.
11. Explain all move options to a displaced business and the differences between the commercial move and the self-move—based on the lowest acceptable bid, and specialist estimate or actual costs supported by receipts/invoices. Advise the displacee if they elect to go with the fixed payment in lieu of all other relocation expenses, they should wait to make the decision until after all appropriate move estimates have been obtained in order to make an informed decision. Clearly explain that if the displacee elects the fixed payment, that they cannot receive payment for any of the other moving and related expenses.

49 CFR 24.209
RCW 8.26.115
WAC 468-100-209

49 CFR 24.301
49 CFR 24.303
49 CFR 24.304
WAC 468-100-301
WAC 468-100-303
WAC 468-100-306

12-6.1.3 Exchange of information with other agencies

The region Relocation Specialists maintain personal contact and exchange information with other local agencies providing services useful to persons who will be relocated.

- A. Such agencies may include but are not limited to social welfare agencies, urban renewal agencies, redevelopment authorities, public housing authorities, the Department of Housing and Urban Development, Veterans Administration, and Small Business Administration.
- B. Contact is maintained with local sources of information on private replacement properties, including real estate brokers, real estate boards, property managers, apartment owners and operators, and home building contractors.
- C. Contact is maintained with the Department of Housing and Urban Development and Veterans Administration relative to properties owned by those agencies that may be available for sale.

12-6.1.4 Relocation Assistance Diaries

Diaries are often the only written documentation that is available to show that right of way transactions are done in compliance with the Uniform Act and [49 CFR Part 24](#). Therefore, diaries need to provide a complete record of the transaction. They need to be well organized and factual, and they should be written for someone unfamiliar with the transaction. Also, the diary shall reference any appropriate documents in the file such as brochures and forms provided to property owners/tenants or estimates obtained to support an administrative record.

Each diary entry shall clearly show the month, day, and year of the contact; the name of the individual who made such a contact: how the contact was made (i.e., in person or by phone); and the name(s) of the individual(s) contacted. Each diary entry shall provide a summary of the contact. It is not sufficient to enter a simple posting of events as they occurred. For example, merely recording that the specialist presented an offer or that “discussions were held” on a given date tells too little. The entry should indicate, at the very least, where the event took place, what the owner’s reaction was, what questions the owner asked, and what answers the region Relocation Specialist supplied. These elements are at the very heart of the negotiation process, and when an acquisition becomes difficult or negotiations break down, a wellwritten diary may be the most important document protecting WSDOT’s interests.

Multiple contacts should be stated in separate paragraphs. These entries need to be made as soon as possible to ensure accuracy. Electronic diaries are recommended and should not have any spelling errors.

Diary entries need to be limited to a recitation of the facts because the diary is subject to the rights of discovery by all parties in any court proceeding or appeal case. Diaries should not reflect the opinions or subjective comments of the agent; diary entries should objectively state factual information, such as who, what, when, and where. All persons who participate in relocation activities with a displacee, whether staff or consultant shall maintain an appropriate diary or log of such activities and discussions with the displacee.

If more than one specialist is working on a file it is recommended that all specialists contribute to the same diary.

A collection of emails pertaining to the acquisition and relocation of a parcel does not constitute a diary. Information taken directly from email correspondence often contributes to a good diary, but care should be taken to exclude extraneous information.

Remember if it is not in the diary, it is difficult to prove it happened. Should a relocation claim be appealed, the lack of information in the diary will create a burden to prove that those discussions and activities did happen.

A. Residential diary entries include, but are not limited to the following:

1. Proper displacee information including name, a contact phone number, address of displacement site, current mailing address, project name, parcel number, and current work order number and control section.
2. Specialist assigned and date of assignment.
3. Date and time of all telephone contacts.
4. Date, time, place, and name of all individuals present at face-to-face meetings, including what was discussed and any resolutions.
5. Preparation and presentation of all official relocation notices, and any other general correspondence mailed to the displacee. If notice was mailed by certified mail, include certified numbers. Include the date mailed for such notices.
6. Date when items were received from the displacee (i.e., signed documents, letters requesting information, phone calls, and emails).
7. Statement that the relocation program was discussed with the displacee verbally and that the displacee was given a relocation brochure. Include what was discussed with the displacee, any questions from the displacee and how such questions were addressed.
8. Statement on how the specialist arrived at the room count entitlement. **Example:** living room = 1 room, kitchen = 1 room, 2 bedrooms = 2 rooms, garage = 3 rooms, total = 7 rooms, \$1,800. There should be a statement included in the diary that states the calculation has been approved by the Region Relocation Supervisor.
9. Discussion of comparable search information. Where and when did the region Relocation Specialist obtain the information for the comparable home search? What search criteria was used? How many comparable homes were available? Of those, how many were selected to view?
10. Information or statement in relation to viewing the selected comparable homes and which of the three comparable homes the specialist selected as the most comparable and why. Also, a statement should be included that an interior inspection of the most comparable home was completed or if the interior was not inspected why it was not inspected.

11. Include the region Relocation Specialist's line of thinking. Why is the region Relocation Specialist making certain considerations for the displacee? Why might the region Relocation Specialist be considering a 4-bedroom comparable home versus a 3-bedroom comparable home?
 12. Carve out issues. If applicable, discuss why a carve-out is necessary (i.e., mixed use property, large outbuilding, pool).
 13. Statement that advisory services were offered to the displacee, such as transportation if needed, or any community or social service contacts that may need to be made.
 14. Any issue brought up by the displacee that requires further research or consultation with others.
 15. Questions asked by the displacee and response given by the region Relocation Specialist.
 16. DSS inspection. List who was on site during the inspection; make sure you turn on the stove, furnace, check the smoke detectors, flush all toilets, turn on all faucets, check under all sinks for leaks, etc., in front of the displacee, etc. Discuss any issues found at this time. The region Relocation Specialist will advise the displacees regarding their eligibility for reimbursement of a home inspection.
 17. Confirm with acquisition, and record the final settlement amount in the diary. If the acquisition payment involves an administrative settlement, a copy needs to be included in the actual Price Differential payment package that is sent to the HQ Reviewer for review.
 18. Clearly identify the vacate date.
 19. Documentation of all relocation claims submitted by the displacee.
 20. Send updated diaries to HQ with each request of an approval or claim. Failure to include an updated diary could delay the processing of the claim.
 21. Final statement that the relocation is complete. Date, sign, and send final diary with original signature(s) to HQ.
- B. Non-Residential diary entries include, but are not limited to the following:
1. Proper displacee information including name, name of business/non-profit organization/farm, a contact phone number, address of displacement site, current mailing address, project name, parcel number, and current work order number and control section.
 2. The region Relocation Specialist assigned and date of assignment.
 3. Date and time of all telephone contacts.
 4. Date, time, place, and name of all individuals present at face-to-face meetings. Include what was discussed and any resolutions.

5. Preparation and presentation of all official relocation notices and any other general correspondence mailed to the displacee. If notice was mailed by certified mail, include certified number. Include the date mailed for such notices.
6. Date when items were received from the displacee (i.e., signed documents, letters requesting information, tax information, phone calls, emails, etc.).
7. Statement that the relocation program was discussed with the displacee verbally and that they were given a relocation brochure. This discussion should include reestablishment and the various moving options and eligible expenses. Include what was discussed, any questions from the displacee and how any such questions were answered.
8. When dealing with non-residential moves sometimes many different specialists and vendors are contacted. A record of all contacts made is important.
9. Date of occupancy survey, determination of number of businesses, identification of personalty vs realty.
10. The diary shall include at least one entry where the region Relocation Specialist describes the advisory services provided (i.e., preapproval process, claim process, importance of working with specialist, reason for viewing tax records).
11. Statement that moving expense options were discussed in detail. Explain the actual cost moving options, including commercial and self-moves, search expenses, actual direct loss of tangible personal property (DLT), substitute personal property (SPP), and related expenses. Explain the business reestablishment expense and how it is determined. Discuss the fixed payment and explain that the selection of this option is in lieu of any other moving expense options.
12. Vacate date clearly stated.
13. Documentation of all relocation claims submitted by the displacee.
14. Send an updated diary to HQ with any request for approval or claims. Failure to include an updated diary could delay the processing of the claim.
15. Final entry stating that relocation is complete. Date, sign, and send final diary with original signature(s) to HQ.

12-6.2 Project Relocation Assistance Offices

12-6.2.1 General Criteria

- A. When the volume of work or needs of the displacee are such as to justify the establishment of a project relocation office, such an office will be established and located reasonably convenient to public transportation or within walking distance of the project.

- B. The determination whether or not to establish a project relocation office is made by the region on an individual project basis based on criteria which include, but are not limited to:
 - 1. The number of displacees to be served.
 - 2. The distance and availability of transportation between the project and the Region Real Estate Service Office.
 - 3. The nature of the relocation issues in terms of income level, displacee needs and characteristics, and special replacement housing issues.

12-6.2.2 Information Available at Project Office

The following information will be made available for the displacee of each project at both the region office and/or the project office:

- A. Copies or reprints of any published public announcements addressing relocation assistance services and payments.
- B. Current lists of suitable replacement dwellings available to displacees without regard to race, color, religion, sex, or national origin. Lists may come from a variety of sources including newspaper listings, apartment directories, multiple listing services, real estate and property management companies, etc.
- C. Current lists of comparable commercial properties and locations for displaced businesses.
- D. Current data for such costs as security deposits, closing costs, typical down payments, interest rates, and terms.
- E. Maps showing the location of schools, parks, playgrounds, shopping, and public transportation routes in the area where applicable.
- F. Schedules and costs of public transportation where applicable.
- G. Copies of WSDOT's brochure explaining its relocation program.
- H. Copies or excerpts from local housing, building, and/or occupancy codes.
- I. Other information of value to displacee in the particular area.

12-6.2.3 Office Hours

Project offices will be open during hours convenient to displacee including evening hours when needed. Hours of operation will be addressed in the relocation plan.

12-6.3 Public Information

12-6.3.1 General Hearings

In order to assure that the public has adequate knowledge of WSDOT's Relocation Assistance Program, such program and its related procedures are discussed at all public hearings. The Regional Administrator may require the presence of RES personnel at any hearing in order to assure that the Relocation Assistance Program is adequately explained.

- A. Brochures, pamphlets, and/or flyers describing the relocation program are made available, without cost, to all persons attending such hearings. The brochures provide the address(es) of WSDOT's region offices where copies of WSDOT's regulations implementing the Relocation Assistance Program may be obtained.
- B. If there is a likelihood that the project will encounter complex relocation situations, such as large industrial displacements or special use properties such as cemeteries or large plant nurseries, that cannot be adequately covered at a typical hearing, a separate public hearing on relocation assistance will be held. The Region RES Manager will make arrangements for the separate hearing.

12-6.3.2 Corridor Hearings

- A. RES personnel may be called upon by the Regional Administrator to assist with the development of needed information and/or for the presentation of information at any corridor hearing.
- B. Discussion on relocation assistance includes but is not limited to:
 - 1. The availability of relocation assistance services, eligibility requirements, and payment procedures.
 - 2. The estimated number of individuals, families, businesses, farm, and/or nonprofit organizations that are to be relocated by each of the alternatives under consideration at the hearings.
 - 3. An estimate of the availability of DSS replacement housing, within the financial means of the displacees affected; a projection of the availability of such DSS housing to the anticipated year of right of way acquisition; any alternative plans considered for rehousing displacees; and assurance that housing needs will be met.

12-6.3.3 Highway Design and/or Access Hearings

The discussion on relocation assistance at the design or combined hearing supplements the information contained in the Relocation Assistance Program Brochure. Such discussion on relocation includes but is not limited to:

- A. Assurance that no person is required to move from a residence required for a public works project or program unless a comparable replacement dwelling is available or provided for any person meeting the criteria for a displaced person.

- B. The eligibility requirements and payment procedures including:
 - 1. Eligibility requirements and payment limits for moving costs.
 - 2. Eligibility requirements and payment limits for replacement housing payments.
 - 3. Eligibility requirements and payment limits for nonresidential reestablishment costs.
 - 4. Appeal procedures.
- C. The services available under WSDOT's Relocation Assistance Advisory Program, the address and telephone number of the region RES office, and the name of the region Relocation Supervisor.
- D. An estimated number of dwelling units presently available to meet replacement housing requirements.
- E. An estimate of the time necessary for relocation and the number of dwelling units meeting the replacement housing requirements that will become available during that period.

12-6.4 Relocation Written Notices

12-6.4.1 General

49 CFR 24.203
WAC 468-100-203

- A. Appropriate relocation assistance notices will be provided to each residential occupant (family or individual); non-occupant owner of an occupied dwelling unit; business or farm owner or operator; or owner of personal property that may be directly or constructively displaced by the program or project. A notice is not furnished where there is no displacement.

49 CFR 24.5
WAC 468-100-005

- B. Written notices will be presented in letter format using the basic formats found in [Chapter 13](#) and shall include the name and telephone number of the Relocation Specialist who may be contacted for answers to questions or other needed assistance. The letters may be revised to reflect appropriate information for any specific situation. Each notice shall be written in plain, understandable language.
 - 1. **Translation and Counseling** – Persons who are unable to read and understand the notice must be provided with appropriate translation and counseling. A certified translator must be used for those documents needing translation. Contact the HQ Relocation Reviewer for additional information.
- C. Where certain relocation notices fulfill statutory requirements, the displacee will be requested to sign a copy of the letter as evidence that the notice has been given and received. If the displacee refuses to sign the notice, the region Relocation Specialist should note the refusal on the copy of the notice and transmit this copy to HQ for inclusion into the official file. The region Relocation Specialist should also note the refusal in the diary. The HQ Relocation Reviewer may request further effort be made to present any notice letter to the displacee(s).

49 CFR 24.5
WAC 468-100-005

- D. If the written notice cannot be delivered in person, it must be sent via certified or registered first-class mail, return receipt requested, and documented in the official file. The electronic return receipt needs to be attached to the copy of the letter sent to HQ for inclusion in the official file.
- E. A non-occupant owner is considered, for purposes of the Relocation Assistance Program, to be displaced whenever there will be a displacement of persons or personal property from the property that they own.
- F. These letters are partially intended to provide the displacee with a written reference to certain basic information that will be or has been explained in a personal contact by a qualified representative of WSDOT. No letter can answer all the questions in a given case. Much importance is placed on the detailed description in the relocation brochure and on the expertise of the region Relocation Specialist handling the case. The region Relocation Specialist should advise the displacee of the importance of reading and understanding the information in the brochure and of asking any questions the displacee may have regarding the information in the brochure. The region Relocation Specialist should note in the diary that the displacee was so advised, including whether the displacee did or did not have any questions and what those questions were.

12-6.4.2 Notice of Intent to Acquire

49 CFR 24.203(d)
WAC 468-100-203(4)

- A. If the HQ Acquisition Program Manager authorizes the establishment of eligibility for relocation entitlements prior to the initiation of negotiations for acquisition of a parcel, a Notice of Intent to Acquire (RES-512), along with the Relocation Assistance Program Brochure, may be given to the displacee(s). When a Notice of Intent to Acquire is issued, for purposes of this chapter, the date of initiation of negotiations for the parcel is considered to be the date of such notice.
- B. This notice is not issued prior to authorization for the initiation of negotiations on the project or prior to authorization for acquisition of individual parcels in the case of protective buying or hardship acquisition.
- C. The notice advises owners and occupants of the following:
 - 1. The area of their eligibility for and the requirements to receive moving and replacement housing payments.
 - 2. That any occupant contemplating moving should, to ensure eligibility for moving and replacement housing payments, notify WSDOT prior to moving.
 - 3. The anticipated date of actual initiation of negotiations.
 - 4. How additional information pertaining to relocation assistance payments and services can be obtained.
- D. Should a Notice of Intent to Acquire be given to a property owner, it should also be provided to any tenants within 15-days; the owner is simultaneously notified of such action by providing the owner with copies of tenant notices.

12-6.4.3 General Notice of Relocation Rights

49 CFR 24.203(a)
WAC 468-100-203(1)

- A. This notice is required by federal and state law.
- B. The letter format for this notice will depend on the type of displacement that will occur. An appropriate notice letter, to be selected from the formats found in [Chapter 13](#), must be provided to the person(s) to be displaced by the project.
- C. Delivery of the General Notice letter can occur either of two ways:
 1. This notice can be presented to persons to be displaced at the time the region Relocation Specialist makes the initial contact to gather information for the Relocation Plan; a Relocation Assistance Program Brochure should be provided to the displaced person at the same time. This method may not be appropriate if the project will not be constructed for a while.
 2. This notice can be presented to persons to be displaced at or near the initiation of negotiations by either the region Relocation Specialist or upon request, by the region Acquisition Specialist.

49 CFR 24.208
WAC 468-100-208

Note: Lawfully Present in the United States Certification (RES-547) – WSDOT suggests certification be obtained during the relocation planning phase or, at the latest, the delivery of the General Notice of Relocation Rights letter.

- D. The notice must include the following information:
 1. A statement that the person(s) may be displaced from a public project and a general description of the types of relocation payments, the basic conditions of eligibility, and how the payments can be obtained.
 2. A statement that the person(s) to be displaced will be given reasonable advisory assistance including referrals to replacement properties, help in filing claims, and other necessary assistance.
 3. Advice that the person(s) will not be required to move without at least 90 days prior written notice/assurance and that a person displaced from a residential dwelling will not be required to move until at least one comparable replacement dwelling is made available to the displaced person(s).
 4. A statement that the person(s) to be displaced has a right to appeal WSDOT's determinations regarding relocation eligibility or entitlement amounts, and may also have region determinations reviewed or reconsidered before proceeding to an appeal.
 5. A statement that informs the person that any person who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child.

49 CFR 24.203(a)(4)
49 CFR 24.208
WAC 468-100-203(3)(d)
WAC 468-100-208

12-6.4.4 Relocation Assistance Program Brochure

This “notice” provides additional and more detailed information about the Relocation Assistance Program. It should be provided to each displacee at the time the General Notice is provided, or earlier. There are three brochures: one for Residential displacements, one for Business/Farm/NPO displacements, and one for PPO displacements. The acknowledgment on the General Notice also states the brochure has been provided.

12-6.4.5 Notice of Relocation Eligibility, Entitlements, and 90-Day Assurance

49 CFR 24.203(b)
WAC 468-100-203(2)
49 CFR 24.203(c)
WAC 468-100-203(3)

- A. This notice combines two notices that are required by federal and state law.
- B. This notice advises the displacee(s) that they are now eligible for relocation assistance and entitlements because initiation of negotiations has begun. This notice should be provided to each displacee as soon as possible after the date of initiation of negotiations or, if possible, at the same time as the offer to purchase is made.
- C. WSDOT also uses this notice to provide displacees with a description of the relocation entitlements, which they are eligible to receive, as well as other information as follows:
 1. For a 90-Day Owner Occupant:
 - a. Date of initiation of negotiations.
 - b. Date the displacee first occupied the parcel.
 - c. Amount of Maximum Price Differential.
 - d. Addresses of Available Comparable Dwellings.
 - e. How the Price Differential was calculated.
 - f. Other Replacement Housing Entitlements.
 - (1) Mortgage Interest Differential Payment (MIDP – must be 180-day bona fide mortgage).
 - (2) Incidental Purchase Expenses.
 - g. Moving Entitlements.
 - h. How to claim the entitlements.
 - i. 90-Day Assurance (**Note: This is a required notice.**):
 - (1) States the earliest date a displacee could be required to move.
 - (2) The 90-day period cannot begin until WSDOT has made at least one comparable replacement dwelling available to the displacee.
 - j. The Right of appeal and availability of reconsideration
 2. For a 90-Day Tenant, less than 90Day Occupant (Short Term Occupant) or Subsequent Occupant:

49 CFR 24.203(C)
WAC 468-100-203(3)

- a. Date of initiation of negotiations.
 - b. Date of occupancy by the displacee.
 - c. Amount of maximum rent supplement.
 - d. Addresses of available comparable dwellings.
 - e. How the rent supplement was calculated.
 - f. Down payment assistance option.
 - g. Moving Entitlements.
 - h. How to claim entitlements.
 - i. 90-Day Assurance (**Note: This is a required notice.**):
 - (1) States the earliest date a displacee could be required to move.
 - (2) The 90-day period cannot begin until WSDOT has made at least one comparable replacement dwelling available to the displacee.
 - j. The Right of appeal and availability of reconsideration.
 - k. In the case of a tenant occupant, the eligibility letter should include information regarding the economic rent of the displacement dwelling and a template of the WSDOT's Residential or Non-Residential Displacee Lease. This is intended to provide additional information early in the process and does not require a prepared lease at the time of delivery. The Region RESM will assign a Relocation Specialist to deliver the prepared lease should the displacee not be able to move from the WSDOT acquired property and stays on as a tenant as may be allowed by law after acquisition of the property by WSDOT.
 - l. WSDOT is not required to restart the 90-Day Assurance period if the original most comparable replacement dwelling is no longer available. However, if the original comparable dwelling is no longer available, WSDOT must assure itself that equally comparable dwellings are still available in the same price range.
3. For Non-Residential (Business, Farm, or NPO):
- a. Actual Move Costs.
 - (1) Personal property move expenses.
 - (2) Other related move expenses.
 - (3) Equipment disconnect and reconnect expenses.
 - b. Reestablishment Costs.
 - c. Fixed Payment Entitlement Amount (In Lieu) if selected in place of actual costs and reestablishment.
 - d. 90-Day Assurance (**Note: This is a required notice.**):
 - (1) States the earliest date a displacee could be required to move.
 - e. Right of appeal and availability of reconsideration.

49 CFR 24.203(C)
WAC 468-100-203(3)

- f. In the case of a tenant business occupant, the eligibility letter should include information regarding the economic rent of the displacement dwelling and a template of the Non-Residential Displacee Lease. This is intended to provide additional information early in the process and does not require a prepared lease at the time of delivery. The Region RESM will assign a specialist to deliver the prepared lease should the displacee not be able to move from the acquired property and stays on as a tenant as may be allowed by law after acquisition of the property by WSDOT.
- 4. For Personal Property Only (PPO):
 - a. Actual Move Costs.
 - (1) Personal property move expenses.
 - b. 90-Day Assurance (**Note: This is a required notice.**):
 - (1) States the earliest date a displacee could be required to move their personal property.
 - c. In the case of a tenant occupant, the eligibility letter should include information regarding the economic rent of the displacement dwelling and a template of the Residential or Non-Residential Displacee Lease. This is intended to provide additional information early in the process and does not require a prepared lease at the time of delivery. The Region RESM will assign a specialist to deliver the prepared lease if the displacee is unable to move from the acquired property and stays on as a tenant as may be allowed by law after acquisition of the property by WSDOT.
 - d. The right to appeal and availability of reconsideration.
- D. At the time of delivery of this notice, the region Relocation Specialist should also provide the displacee with a Statewide Vendor (SWV) form to complete in accordance with procedures set forth in [Chapter 10](#).

49 CFR 24.203(C)
WAC 468-100-203(3)

12-6.4.6 Other Notices

A. Notice of Revised Maximum Price Differential

1. If an owner occupant does not seek or is not actively seeking replacement housing at the time the Notice of Eligibility is delivered, it may become necessary to recalculate the price differential entitlement because the offered comparable dwelling(s) are no longer available. In most cases the region Relocation Specialist can check the market to see if other comparable dwellings are available for sale in the area within the same price range. If there are comparable dwellings available, the region Relocation Specialist should supply the list of the properties to the displacee and inform the displacee in writing that the price differential will not be recalculated. If the price differential must be recalculated, a revised notice must be presented to the displacee.

2. If the owner occupant receives an administrative settlement for the displacement dwelling, the price differential must be adjusted accordingly and a Revised Notice of Maximum Price Differential (RES-507a) must be presented to the displacee. For example, if the administrative settlement is more than the price of the available most comparable replacement dwelling on which the entitlement was calculated, the displacee is no longer entitled to a price differential payment as the acquisition price of the displacement property is greater than the asking price of the available most comparable. In another situation, if a displacee received an administrative settlement that is more than the initial offer but less than the most comparable replacement dwelling on which the entitlement was calculated, the displacee is only entitled to a portion of the calculated price differential. See [Chapter 13](#) for the correct RES form. In accordance with [Chapter 6](#), the region Relocation Specialist should receive notification from the region Acquisition Specialist if an administrative settlement is given.
3. If an owner occupant decides to become a tenant, a revised notice should be presented which states the maximum entitlement for a rent supplement (RES-507a).

B. Notice of Revised Maximum Rent Supplement

1. If a tenant does not or is not actively seeking replacement housing at the time the Notice of Eligibility is delivered, it may become necessary to recalculate the rent supplement entitlement because the offered comparable dwelling(s) may no longer be available. In most cases the region Relocation Specialist can check the market to see if other comparable dwellings are available for rent in the area within the same price range. If there are comparable dwellings available, the region Relocation Specialist should supply the list of the properties to the displacee and inform them in writing their rent supplement will not be recalculated. If the rent supplement must be recalculated, a revised notice must be presented to the displacee.

C. Notice of Non-Eligibility

1. Should WSDOT withdraw an offer to purchase for any reason, the region Relocation Specialist must provide a written letter to all displacees associated with the property that were previously provided with a Notice of Relocation Eligibility explaining that the person(s) are no longer eligible for relocation assistance.

D. Relocation Determinations

1. Any time a relocation determination is made in the eligibility letter or subsequent letter or email that disapproves all or part of a payment claimed, the region Relocation Specialist must provide the displacee with a written statement explaining why the claim was denied, cite the appropriate CFR, RCW, and/or WAC and include the appropriate language for review, reconsideration, and appeal of the relocation determination. Refer to the language for review, reconsideration, and appeal used in the eligibility letter.

49 CFR 24.207(e)
WAC 468-100-207(5)

[Appendix 12-2](#)

12-6.4.7 Lawfully Present in the United States Certification

49 CFR 24.208
WAC 468-100-208

Each person seeking relocation entitlements or advisory services shall certify that he/she is either a citizen or national of the United States, or an alien who is lawfully present in the United States of America by reading and signing the Lawfully Present in the United State Certification (RES-547). This document must be signed by the displacee prior to the delivery of the notice of eligibility. WSDOT suggests certification be obtained during the relocation planning phase or, at the latest, the delivery of the General Notice of Relocation Rights letter.

Appeals and Reconsiderations

49 CFR 24.10
RCW 8.26.085(1)(c)
RCW 34.05
WAC 468-100-010
WAC 468-10
WAC 10-08

A. **General (Notice of Denial of Claim)** – Any person aggrieved by a determination as to eligibility for, or the amount of any payment for relocation assistance authorized by [Chapter 8.26 RCW](#), and the regulations of [Chapter 468-100](#) of the Washington Administrative Code (WAC) has the right to request an adjudicative hearing before an Administrative Law Judge (ALJ) at the Office of Administrative Hearings (OAH). [WAC 468-100010](#) sets forth WSDOT's rules regarding appeals and the hearing process. The typical steps leading up to a hearing at OAH include: (1) the aggrieved person sends an informal request for reconsideration of a determination made by the region. These requests are reviewed by the HQ Acquisition Program Manager, and (2) the aggrieved person requests an adjudicative hearing. It is not mandatory that the aggrieved displaced person follow step 1 before filing a request for an adjudicative hearing before an ALJ at OAH.

1. **General Procedures for Determination of Relocation Benefits** – The region Relocation Specialist work individually with the displacee and communicates WSDOT's determination regarding eligibility for, or the amount of, payment for relocation assistance. If a claim is considered ineligible for reimbursement, the region Relocation Specialist is responsible for providing the displacee a written statement stating why the claim was ineligible or denied. This can be accomplished by providing the displacee with a Claim Determination Letter (RES-549). In doing so, the letter must include language setting forth the displacee's options for reconsideration and appeal of the region decision. As explained in that letter, if the displacee wants to challenge the region's decision, the displacee has the option of seeking review of that decision by the HQ Acquisition Program Manager, or filing a request for an adjudicative hearing to be heard before an ALJ at OAH. If the displacee elects to have the HQ Acquisition Program Manager review the determination and then disputes that determination, the displacee has the option of filing a request for an adjudicative hearing to be heard before an ALJ at OAH. The displacee requests an adjudicative hearing by submitting a request in writing to the WSDOT Secretary of Transportation. The process is further explained in the procedures set forth below.

[Appendix 12-2](#)

B. Informal request for reconsideration by the HQ Acquisition Program Manager

1. **Request for Reconsideration by the Displacee** – If the displacee opts to have the HQ Acquisition Program Manager review the region's decision, the displacee must send a written request for reconsideration of the region decision to the HQ Acquisition Program Manager. The displacee must send the written request to the HQ Acquisition Program Manager within 30 days following receipt of the region's determination of the displacee's claim. Reconsideration proceedings are initiated upon receipt by WSDOT of a statement or letter from the displacee or the displacee's legal representative or attorney.
 - a. **Form of Statement or Letter** – No specific form or format is required; however, the displacee's statement or letter, at a minimum, should include:
 - (1) Date of statement or letter.
 - (2) Name of displacee(s).
 - (3) Project title.
 - (4) Parcel number.
 - (5) An explanation of what the displacee is claiming; all facts, reasons, and any supporting documents explaining why the displacee believes the claim should be paid; or why the displacee is otherwise aggrieved.
 - (6) Address, telephone number, and signature of the displacee or the displacee's legal representative or attorney.
2. **Reconsideration Decision by HQ Acquisition Program Manager** – The HQ Acquisition Program Manager shall review the WSDOT file and the statement or letter and any supporting documents submitted by the displacee. The HQ Acquisition Program Manager shall issue a written decision on the displacee's request for reconsideration of the region's determination. Should the HQ Acquisition Program Manager find that the displacee's request for reconsideration is unclear or insufficient the HQ Acquisition Program Manager may require the displacee to clarify or amend the request for reconsideration or provide additional information or documentation within a reasonable timeframe. The HQ Acquisition Program Manager will specify in writing to the displacee a reasonable timeframe within which the displacee should send the requested information. Should the displacee fail to make any required clarifications or fails to provide any of the additional information or documentation requested within the time specified by WSDOT, the HQ Acquisition Program Manager shall respond to the original request according to its merits. This response shall notify the aggrieved displacee that the aggrieved displacee has the option of requesting an adjudicative hearing to be held before an ALJ at OAH.

- C. **Adjudicative Hearing Procedures/Administrative Law Judge** – The adjudicative hearing will be carried out under the provisions of [WAC 468-100-010](#), [WAC 468-10](#), and [WAC 1008](#):
1. The HQ Relocation Reviewer:
 - a. Notifies the AGO that an adjudicative hearing in front of an ALJ at OAH has been requested by the displacee and makes a request that AAG be assigned to the relocation appeal case.
 - b. Once an AAG has been assigned, he or she will contact OAH to request the assignment of an ALJ for an adjudicative hearing. Ordinarily the hearing will be held in the county where the displacement occurred.
 2. Office of Administrative Hearings:
 - a. Provides direct notification to the assigned AAG and to the displacee or the displacee's representative or attorney as to the date of the prehearing conference and actual hearing date and time.
 - b. After the hearing, issues an Initial Order, which is generally called the Proposed Decision and Order.
 - c. Either party—the displacee or WSDOT—may file a Petition for Review of the ALJ's Initial Order by filing a petition for review of the Initial Order with the Secretary of Transportation within 20 days of the date of service of the Initial Order.
 - d. If neither party files a petition for review of the ALJ's Initial Order within 20 days of its service, the Initial Order becomes WSDOT's final order.
 3. The AGO:
 - a. Deals directly with OAH.
 - b. Prepares for the hearing with the assistance of both the HQ and region Real Estate Services office.
 - c. Presents the case in front of the ALJ.
 - d. Notifies the HQ Acquisition Program Manager of the Initial Order issued by the ALJ.
 4. Petition for Review of the Administrative Law Judge's Initial Order by Secretary of WSDOT:
 - a. If a petition for review of the Initial Order is filed, the Secretary of Transportation or the Secretary's designee (WSDOT reviewing officer) will review the ALJ's Initial Order and issue a written Final Decision and Order.
 - b. The AAG assigned to advise the WSDOT reviewing officer must be an AAG who has not been previously involved in the matter.

12-6.5 Civil Rights

- A. WSDOT takes affirmative action to ensure that replacement housing resources are open to all races and sexes without discrimination. This is determined at the time the region Relocation Specialist is searching for available replacement housing.
- B. WSDOT fully informs displacees of procedures for hearing fair housing discrimination complaints.
 - 1. Displacees are advised of WSDOT's procedure at the time of initial contact.
 - 2. Upon receipt of a fair housing discrimination complaint, the region Relocation Specialist refers the displacee to the Division of Equal Opportunity and Fair Housing, Department of Housing and Urban Development, or to the nearest area office of the Washington State Human Rights Commission.
- C. WSDOT fully informs displacees of their fair housing rights and options in selecting replacement housing in areas of their choice and the available assistance from WSDOT in ensuring displacees that their fair housing rights are protected by the Washington State Human Rights Commission under [Title 49.60](#) Revised Code of Washington in accordance with Title VIII of the Civil Rights Act of 1968 and the Housing and Community Development Amendment Act of 1974. This information is given to the displacee at the time of initial contact.
- D. WSDOT, to the extent possible, assists displacees in ensuring against discriminatory practices in the purchase and rental of residential units on the basis of race, color, religion, sex, or national origin.

12-7 Residential Relocation Entitlements

12-7.1 Eligibility

- A. Individuals and families displaced from a dwelling acquired for a highway project or program are eligible for replacement housing payments and moving payments in addition to the advisory services described in. The type of Replacement Housing Payments (RHP) for displacees depends on the type and length of occupancy.
 - 1. **A 90-day Owner** – A person who owns and occupies the displaced dwelling for at least 90 days prior to initiation of negotiations is eligible for a price differential or a rent supplement. This includes those persons defined as owners of dwellings and includes life estates and other ownership interests.
 - 2. **A 90-day Tenant** – A person who rents and occupies the displaced dwelling for at least 90 days prior to initiation of negotiations is eligible for a rent supplement or down payment assistance.
 - 3. **Less Than 90-day Occupant (Subsequent Occupant)** – A person who fails to meet the length of occupancy requirements as stated in 1 and 2 above is eligible for a RHP if the provisions of Housing of Last Resort apply.

49 CFR 24.2(a)(20)
WAC 468-100-002(20)

49 CFR 24.403(d)
WAC 468-100-403(4)

- B. The displacee is not required to relocate to the same occupancy (owner or tenant) status and has certain options regarding their status.
 1. A 90-day owner may elect to become a tenant and receive a rent supplement; or a 90-day owner may elect to remain an owner, purchase a replacement dwelling and receive a price differential. The rent supplement cannot exceed the maximum price differential payment the displaced person would have received as a 90-day owner who elected to purchase and occupy a comparable replacement dwelling. A 90day owner is **not** eligible for down payment assistance.
 2. A 90-day tenant may elect to become an owner, purchase a replacement dwelling and receive down payment assistance. The entire rent supplement, subject to the maximum amount allowable, can be applied to the purchase of the replacement dwelling. Eligible incidental expenses can be paid out of the calculated rent supplement if the displacee elects to use down payment assistance.
 3. A less than 90-day occupant (subsequent occupant) may elect to become an owner and receive down payment assistance. This should be addressed pursuant to the provisions concerning Housing of Last Resort.
- C. Only one RHP is authorized for each dwelling unit except in case of multifamily occupancy of a single family dwelling or possibly a mobile home and lot situation.
- D. **Trust Situations** – In “trust” situations, the region Acquisition Specialist is responsible for obtaining a copy of the trust agreement, including any attachments or exhibits, and any amendments to the trust concerning the property to be acquired by WSDOT and work with HQ Title to determine the occupancy status of the displacee. It may be necessary to obtain an AG opinion prior to making a determination. This process is addressed in [Chapter 6](#).

12-7.2 Decent, Safe, and Sanitary Standards (Replacement Dwelling Inspection Report)

49 CFR 24.403(b)
 WAC 468-100-403(2)
 49 CFR 24.2(a)(8)
 WAC 468-100-002(8)

Decent, Safe, and Sanitary Standards (DSS) are defined in the federal regulations. A DSS inspection is required to ensure that to the best of the region Relocation Specialist's knowledge and abilities the replacement dwelling meets WSDOT's minimum standards for qualified replacement housing. This inspection must be performed even if the displacee is only claiming incidental expenses. Once the inspection is complete, a Replacement Dwelling Inspection Report (RES-525) and photographs or requested supporting documentation must be forwarded to HQ. The region Relocation Specialist should strongly advise the displacee to obtain a professional home inspection from a qualified inspector. WSDOT's DSS inspection does not take the place of a professional home inspection. The cost of a professional home inspection is a reimbursable incidental expense. The region Relocation Specialist needs to obtain a copy of the report and review it for the DSS items prior to signing off and stating the displacee qualifies for a RHP.

Note: If the displacee elects to move out of state, contact HQ Relocation and they will provide you with a contact name and number of the respective state DOT for a complimentary inspection. Also, if a displacee wants to make an offer to purchase a replacement dwelling and the utilities are not active, WSDOT can make a payment on

behalf of the displacee to the utility company to have the utilities turned on so the region Relocation Specialist can complete the DSS inspection. This is considered an expense incidental to the purchase or lease of a replacement dwelling.

- A. **Local Codes** – A DSS dwelling is one which conforms with all applicable provisions for existing structures that have been established under state or local building, plumbing, electrical, housing, and occupancy codes and similar ordinances or regulations.
- B. **Minimum Standards** – For those cases in which local codes do not exist, do not address, or are less restrictive than the minimum standards listed hereinafter, the following minimum housing/dwelling standards shall apply:
 - 1. **Water** – Such replacement dwelling, excluding a rental sleeping room, shall have a continuing and adequate supply of potable safe water. If the replacement dwelling has a private well, the region Relocation Specialist must obtain documentation indicating when the last water test was done, or if the replacement dwelling has a community well, the region Relocation Specialist must obtain and attach a copy of the Health Department water test results to the Replacement Dwelling Inspection Report (RES-525).
 - 2. **Kitchen** – Such replacement dwelling, excluding a rental sleeping room, shall have a kitchen or an area set aside for kitchen use, which contains:
 - a. A sink, in good working condition and connected to hot and cold water, and an adequate sewer system. The region Relocation Specialist should turn on faucet(s) to make sure there are no leaks.
 - b. Utility service connections, and adequate space for the installation of a stove and refrigerator.
 - 3. **Heating System** – Such replacement dwelling unit or rental sleeping room, shall have an adequate heating system in good working order, which will maintain a minimum temperature of 70 degrees Fahrenheit in the living area. The region Relocation Specialist should turn on the furnace/heater(s) to verify they are working regardless of time of year.
 - 4. **Bathroom Facilities** – Such replacement dwelling unit or rental sleeping room, shall have a bathroom, which is well lighted, ventilated, and affords privacy to a person within it; contains a lavatory basin (sink), bathtub or stall shower; and is properly connected to an adequate supply of hot and cold running water, and a flush toilet, all in good working order and properly connected to a sewage disposal system. For rental sleeping rooms, the replacement dwelling shall also provide a lockable bathroom door, if such bathroom is separate from the sleeping room. The region Relocation Specialist should flush toilets and turn on faucets to make sure there are no leaks.
 - 5. **Electric System** – Such dwelling unit or rental sleeping room, shall have an adequate and safe wiring system for lighting and other electrical services. The region Relocation Specialist should verify all outlets and light switches have plate covers.

6. **Structurally Sound** – Each building used for dwelling or rental sleeping room purposes, shall be structurally sound, weather-tight, in good repair, and adequately maintained. The region Relocation Specialist should make sure there are no broken windows, broken locks, rotten stairs, leaking roof, etc.
 7. **Egress** – Each building used for the replacement dwelling or rental sleeping room purposes, shall have a safe, unobstructed means of egress leading to a safe open space at ground level. Each replacement dwelling unit in a multi-dwelling building has access either directly or through a common corridor to a means of egress to open space at ground level. In multi-dwelling buildings of three stories or more, the common corridor on each story has at least two means of egress. The region Relocation Specialist should open all windows to ensure they are operational.
 - a. If the displacee has a disability, the replacement dwelling shall be adequate in terms of access and livability with respect to the person's limitations and meet the American Disabilities Act (ADA) requirements. The region Relocation Specialist should identify ADA items such as grab bars in the bathroom, ramp in lieu of stairs, etc., at the displacement dwelling to determine the needs at the replacement dwelling. Required ADA items need to be supported by adequate documentation from the displacee's medical provider. Reasonable and necessary costs of approved ADA items are in addition to the replacement housing payment and move costs and considered 100 percent reimbursable.
 8. **Adequate in Size** – The selected comparable and replacement dwelling must be adequate in size to accommodate the number of family members occupying the dwelling. The number of persons occupying each habitable room used for sleeping purposes shall not exceed that permitted by local housing codes. In addition, WSDOT shall follow the requirements for separate bedrooms for children of the opposite gender included in local housing codes. In the absence of local codes, the following procedures should be followed:
 - 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.
- C. **Exceptions** – The Acquisition Program Manager may grant exceptions to DSS standards when requested in writing by the displacee. Such exceptions are limited to items and circumstances that are beyond the reasonable control of the displacee to adhere to the standards. Approved exceptions do not affect the computation of the replacement housing payment.

- D. The purpose of the DSS inspection on the replacement dwelling is to determine eligibility for RHP and is not intended to be, nor constitutes, warrants, or guarantees that the replacement dwelling is free from defects.

12-7.3 Replacement Housing Payments

12-7.3.1 90-Day Owner Occupant

12-7.3.1.1 Replacement Housing Payments for 90-Day Owner-Occupant Who Purchases

A. General

1. A displaced owner-occupant may receive payments, the combined total of which may not exceed \$31,000 for the additional cost necessary to:
 - a. Purchase replacement housing (also referred to as Price Differential).
 - b. Compensate the owner for the loss of favorable financing on the existing mortgage in the financing of replacement housing (also referred to as "Mortgage Interest Differential Payment (MIDP). In order to qualify for the MIDP, a 90-day owner-occupant must have a 180-day bona fide mortgage on the displacement dwelling.
 - c. Reimburse the owner for expenses incidental to the purchase of replacement housing (also referred to as "Incidental Purchase Expenses").
2. The displaced owner-occupant is eligible for such payments provided:
 - a. The displaced owner is in occupancy at the initiation of negotiations of the acquisition of the real property, or at the time a written notice is given stating WSDOT's intent to acquire the property by a given date.
 - b. Such ownership and occupancy has been for at least 90 consecutive days immediately prior to the earlier of:
 - (1) The initiation of negotiations.
 - (2) The date the occupant vacates, if the displaced owner has been given a notice of intent to acquire.
 - c. The property is acquired by WSDOT, or WSDOT issues an order to vacate even though the property is not acquired.
 - d. The displaced owner purchases and occupies a DSS replacement dwelling within the statutory time period.
 - e. For the purposes of d. above, a replacement dwelling is considered to be purchased by the displaced owner when:
 - (1) An existing replacement dwelling is acquired by the displaced owner;
 - or
 - (2) The displaced owner purchases a life estate in a retirement home or contracts for extended residence in a limited care or full care facility

49 CFR 24.403(c)
WAC 468-100-403(3)

that provides medical and residential services to persons unable to live independently and provide their own care. The actual cost is the entrance fee plus any other monetary commitments to the home, not including periodic service charges such as meals, medication, cleaning, laundry service, etc.; or

- (3) The displaced owner relocates to and/or rehabilitates a replacement dwelling which the displacee previously owned. If the replacement dwelling selected by the displacee does not meet the DSS criteria or lacks "major exterior attributes," the cost to correct such deficiencies is eligible to the extent that the sum of the cost of the replacement dwelling and the cost of correcting the deficiencies do not exceed the price differential based on comparable replacement properties. Major exterior appurtenances are explained in more detail later in this section.

Note: Improvements to the replacement property beyond those reasonable and necessary to correct DSS deficiencies are not considered in qualifying for the RHP; or

- (4) The displaced owner contracts for the construction of a new DSS replacement dwelling on a site which the displacee owns or acquires. Reimbursement is limited to only those costs necessary to construct a replacement dwelling comparable to the one acquired by WSDOT. The costs of adding new features to bring the cost up to the maximum replacement housing amount are not eligible for reimbursement.

49 CFR 24.401(c)
WAC 468-100-401(3)

B. Price Differential

1. Amount of Payment

49 CFR 24.401(b)
RCW 8.26.045
WAC 468-100-401(2)

- a. The price differential is the calculated amount of any difference between the acquisition cost of the dwelling and the actual costs which the owner is required to pay for a DSS replacement dwelling or the amount determined by WSDOT that would be necessary to purchase such a DSS comparable replacement dwelling, whichever is less. The maximum price differential payment is calculated by using a Price Differential Report (RES-542) and Housing Comparison Work Sheet (RES-541).
- b. If the displacee elects to construct a replacement dwelling, the base cost of the newly constructed replacement dwelling can be determined by adding the cost necessary to construct a comparable dwelling and the current fair market value for residential use of the replacement site unless the site is rented and there is a reasonable opportunity to rent a suitable replacement site.

49 CFR 24.401(c)(2)
WAC 468-100-401(3)(b)

- c. If the displacee elects to retain ownership of, or obtains salvage rights to, the person's dwelling (in accordance with procedures described in [Chapter 6](#)), moves it from the displacement site, and reoccupies it on a replacement site, the purchase price of the replacement dwelling shall be the sum of the following:
 - (1) The cost of moving and restoring the dwelling to a condition comparable to that prior to the move; and
 - (2) The cost of making the unit a DSS replacement dwelling as defined in [WAC 468-100-002](#); and
 - (3) The current market value for residential use of the replacement dwelling site unless the site is rented and there is a reasonable opportunity to rent a suitable replacement site.
 - (4) The retention/salvage value of the displacement dwelling, if such retention value is reflected in the "acquisition cost" used when computing the replacement housing payment.
 - (5) Limitations. The payment computed under this subsection cannot exceed the amount of the calculated maximum price differential payment.
 - d. If a displaced owner desires to enter into an assisted living situation, WSDOT will make a reasonable effort to accomplish the request. This will be treated as if the displaced owner is purchasing a "life estate" considering it is their intent to live out the rest of their life in a retirement or extended care facility. The price differential will be the amount of the calculated RHP and paid according to the HQ disbursement policy to the displaced owner or facility once an agreement is signed for the replacement living situation.
 - e. If the displaced owner desires to change dwelling status to a tenant, WSDOT makes a reasonable effort to accomplish the request. The rent supplement is computed in accordance with [Section 12-7.3.2.1](#), except that the base monthly rent is the economic rent of the acquired dwelling. Refer to the appraisal for the economic rent of the displacement dwelling. The maximum rent supplement to an owner who chooses to become a tenant cannot exceed the computed price differential payment that they would have received as a 90-day owner occupant.
2. **Amount of payment to occupant with a partial ownership**
- a. When a single family dwelling is owned by several persons, but occupied by only some of said owners, the maximum price differential entitlement is calculated on the Price Differential Report (RES-542) as if all owners occupied the dwelling. For Example: Mr. and Mrs. Smith divorced, but retained 50/50 ownership in the home. Mr. Smith occupies the home while Mrs. Smith removed all of her personal property. On the Price Differential Report numbers 1-8 would be calculated the same as if both occupied the home using the appraised value of the home to be acquired. Mr. Smith would then be required to spend his entire proportionate share of the acquisition

payment plus the full amount of the calculated price differential to receive the maximum price differential.

When completing the Price Differential Report, the amount entered for number 10 would be Mr. Smith's proportionate amount of the acquisition payment. An example of the formula to calculate the RHP is as follows:

Price of Comparable	\$125,000
Appraised Value of Subject	\$100,000
Max Price Differential	\$25,000

The proportionate amount of the Acquisition payment based on 50/50 ownership is \$50,000. In this example Mr. Smith would need to purchase a replacement for \$75,000 (\$50,000 for his share of the subject plus \$25,000 calculated RHP) to receive the maximum RHP of \$25,000.

If an administrative settlement is negotiated by the owners, the relocation specialist is required to complete the Price Differential Report (RES-542) from the beginning (lines 1-8) using the actual settlement amount in line 2 or 5 (depending on if there is a carve out). The amount used for the comparable dwelling shall be the same as the original comparable used to compute the RHP. Using this method will accurately adjust the RHP to account for the administrative settlement when completing lines 9 through 13 of the form.

- b. A partial owner occupant who cannot afford to purchase a comparable replacement dwelling may be relocated as a tenant and provided a rental assistance payment in accordance with the procedures set forth in Section 12-7.3.3.
- c. WSDOT is not required to provide a fractional interest owner occupant a payment that is more than what WSDOT would pay a full interest owner occupant.
- d. If unusual circumstances create an undue hardship on the displacee(s) with partial ownership, other solutions may be provided if approved by the Acquisition Program Manager. Any such solution would be treated as Housing of Last Resort.

3. Additional rules governing replacement housing payments

- a. **Three comparable method** – The asking prices of at least three comparables are analyzed to determine the RHP. The analysis is not a mere averaging but a correlated conclusion based on the most comparable available dwelling that is as good as or better than the dwelling to be acquired. Less than three comparables may be used for this determination when sufficient comparables are not available on the market. In the "Remarks" section of the Housing Comparison Work Sheet the region Relocation Specialist explains the reasons leading to the use of less than three comparables.

49 CFR 24.403(a)
WAC 468-100-403(1)

- b. **Carve out** – This term is commonly used to describe the method for determining what portion of property occupied by a residential owner of 90 days or more is to be used in computing the price differential payment. The purpose of a carve out is to level the playing field for the displacee seeking a comparable replacement dwelling. It takes into consideration a displacee who is situated on a site either larger than typical for residential purposes or whose property is actually occupied by or used for other purposes. The region Relocation Specialist needs to first identify if a carve out is warranted based on the following situations:
- (1) **Major exterior attributes** – The replacement dwelling used in computing the replacement housing payment must be comparable to the living unit acquired. When the comparable replacement dwelling used in computing the RHP is similar except that it lacks a major exterior attribute such as a garage, an outbuilding, or a swimming pool, the value of such items is subtracted or carved out as defined in Section 12-5.1.D from the acquisition cost of the displacement dwelling.
 - (2) **Mixed use property, multifamily property, or lot larger than typical** – If the displacement dwelling is part of a property that contains another residential dwelling unit, and/or is part of a property that is partially used for non-residential purposes, and/or is located on a tract of land that is larger than a site that is typical for residential purposes, only that portion of the property which is attributable to the residential use shall be considered as the acquisition cost when computing the price differential. Contact HQ for samples of appropriate carve out applications of this provision. Additionally, if an MIDP is to be calculated, the lien on the replacement property must be pro-rated in the same manner as the residential carve out. Remember, in order to qualify for the MIDP, a 90-day owner must have a 180-day bona fide mortgage on the displacement dwelling.

If a carve out is warranted, the region Relocation Specialist will need to establish what constitutes a tract that is “typical in size for residential purposes” in the area. The region Relocation Specialist will apply the tract size that is derived from what was determined to be typical in size for residential purposes to the displacement site and extract the acquisition price that represents a property that is typical for residential purposes. The area used for residential purposes includes a pro-rata portion of the land and onsite improvements.

If the replacement property is on a larger than typical site, or is a mixed-use property, only that portion of the property used for residential purposes may be used in calculating the actual price differential payment.

[FHWA Non-Regulatory Supplement #13](#)

[Appendix 12-9](#)

[Appendix 12-10](#)

[FHWA FAQ #88](#)

- c. **Multiple occupants of one displacement dwelling** – In general, all of the occupants of a single dwelling unit should be considered one family for the purposes of payment calculations. 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 and agreed upon by the displacee, of any relocation payments that would have been made if the occupants moved together to a comparable replacement dwelling. In this case, the region Relocation Specialist would compute one RHP and use the predetermined prorated share for each occupant. However, if WSDOT determines that two or more occupants maintained separate households within the same dwelling, such occupants have separate entitlements to relocation payments. WSDOT is responsible for determining the number of households in a dwelling based on the use of the dwelling, the relationship of the occupants, and any other information obtained. The payment computation for each household should be based on the part of the dwelling that the household occupies and the space that is shared by others. An attempt should be made to locate similar comparable DSS living facilities. The region Relocation Specialist's diary should be sufficiently documented to support the decision.
- d. **Remainder offer** – The requirements for computing a replacement housing payment of a partial acquisition with a remaining uneconomic remnant differs from a partial acquisition with a remaining buildable lot.
 - (1) **Uneconomic Remnant (Buildable vs. Unbuildable)** – WSDOT is required to offer to purchase the uneconomic remnant.
 - (a) **Buildable** – The value of the remnant is used in the RHP computation regardless of whether or not the owner elects to sell it to WSDOT. The remnant value shall be added to line 2 of the Price Differential Report. If the owner keeps the buildable uneconomic remnant include its value to the residential value of the dwelling, site, and any other inducements such as administrative settlements, free salvage, etc. on line 10, of the Price Differential Report.

Conversely if the owner sells the buildable uneconomic remnant its value is also added to the sum of line 10 on the Price Differential Report.
 - (b) **Unbuildable** – Initially the value of the uneconomic remnant shall be included online 2 of the Price Differential Report. If the owner sells the entire parcel to WSDOT, the total settlement amount is added to line 10 of the Price Differential Report. However, if the owner does not elect to sell the uneconomic remnant its value is not included on line 10 of the Price Differential Report in the actual RHP computation.

- (2) **Remaining buildable lot not considered uneconomic** – WSDOT may offer to purchase a remaining buildable lot. Its value may be included in the RHP computation regardless of the owner's rejection or acceptance of the offer. However, should WSDOT not offer to purchase, the value of the remainder may not be used in the actual RHP computation.
- e. **Computing an RHP when a higher and better use is other than residential** – In computing a RHP for an owner occupant whose residential property to be acquired is appraised for a higher and better use, the acquisition cost of the displacement dwelling used in the computation is the value of the dwelling plus the value of that portion of the acquired land representing a typical residential lot for the area. The dwelling and land values are obtained from WSDOT's approved appraisal.
- f. **Replacement dwelling differs from displacement dwelling** – The actual RHP is based on dwellings similar to the displacement dwelling occupied and acquired by WSDOT for construction of the project. If the displacee chooses to purchase a replacement dwelling that is not similar to the displacement dwelling, the RHP may have to be adjusted accordingly. For example, if a 90-day owner-occupant is displaced from a single family dwelling, but purchases a duplex or mixed-use (residential and commercial) replacement property, the RHP entitlement will be based on that portion of the replacement property that is for the displacee's residential use.

49 CFR 24.401(e)
WAC 468-100-401(5)

- C. **Incidental Purchase Expenses** – The amount of the incidental purchase expense payment is the amount necessary to reimburse the displaced owner for the actual cost incurred incidental to the purchase of the replacement dwelling, not including prepaid expenses such as purchaser's advance payment into a reserve account for payment of future taxes, insurance. These regulations pertain solely to incidental expenses in connection with a displaced owner's acquisition of a replacement dwelling. The region Relocation Specialist should work closely with the lender and the escrow company to facilitate the closing of the replacement dwelling and make sure funds are applied and shown correctly on the closing statement.

The region Relocation Specialist should prepare the Incidental Expense Work Sheet, Entitlement Instructions regardless of the amount of the price differential payment, and process a warrant once the preliminary closing statement is received. In order to prevent an overpayment of incidental expenses it is recommended that the region Relocation Specialist reduce the relocation assistance voucher by at least \$100 based on the preliminary closing statement; see (RES-516). Once the loan closes the region Relocation Specialist is required to perform a reconciliation of the final closing statement to make sure all funds were applied correctly and send it and supporting documentation to HQ. If an overpayment is discovered, the region Relocation Specialist will inform the displacee of the overpayment and request that the funds be paid back to WSDOT. If the displacee is still due relocation funds the overpayment must be reduced on their next relocation assistance voucher. If an underpayment is discovered the region Relocation Specialist will inform the displacee of the underpayment and will prepare a relocation assistance voucher for reimbursement.

1. Incidental purchase expenses may include the following items if normally paid by the buyer and must be typical of the selected loan program:
 - a. Legal, closing, and related costs including title search, preparing conveyance contracts, notary fees, surveys, preparing drawings, or plats, and charges paid incidental to recording.
 - b. Lender's, FHA, or VA appraisal fees.
 - c. FHA or VA application fees – limited to amount necessary to purchase the comparable used to establish the RHP.
 - d. Certification of structural soundness when required by the lending agency, FHA, or VA.
 - e. Credit report.
 - f. Lender's title policy or abstract of title, limited to outstanding balance of old mortgage on the displacement dwelling or the new mortgage, whichever is less.
 - g. **Escrow agent's fee/Settlement fee** – limited to amount necessary to purchase the comparable used to establish the RHP.
 - h. **Professional Home Inspection fees** – costs associated with the home inspection are fully reimbursed by WSDOT upon receipt of a copy of the report. The home inspection report can be attached to the DSS Replacement Dwelling Inspection Report (RES-525).
 - i. Sales or transfer taxes.
 - j. Loan origination or assumption fees that do not represent prepaid interest— limited to the amount of the old or new mortgage, whichever is less. Fees should be reflective or typical of industry standards.
2. No fee, cost, charge, or expense is reimbursable as an incidental expense which is determined to be a part of the debt service or finance charge payable as part of the mortgage interest differential payment.
3. Incidental purchase expenses are determined from a copy of the preliminary closing statement (preferred) or a good faith estimate and verified from a copy of the final closing statement.
4. **Partial Ownership** – If incidental expenses are incurred for the purchase of a replacement property, they must be pro-rated in the same manner as the ownership of the displacement dwelling.

49 CFR 24.401(d)
WAC 468-100-401(4)

- D. **Mortgage Interest Differential Payment (MIDP)** – The payment for increased mortgage interest cost is that amount which will reduce the mortgage balance on a new mortgage to an amount which could be amortized with the same monthly payment for principal and interest as that for the mortgage(s) on the displacement dwelling. Increased mortgage interest costs are based only on bona fide mortgages that were valid liens, (i.e., equity line of credit) on the displacement dwelling for at least 180-days prior to the initiation of negotiations. The region Relocation Specialist needs to obtain the following information in order to calculate the MIDP:

1. The payment shall be based on the unpaid mortgage balance(s) on the displacement dwelling. If the unpaid mortgage balance(s) has a variable interest rate (ARM), the calculation should be based on the interest rate in effect on the date of acquisition. The MIDP is computed based on an available loan program similar to the loan on the displacement dwelling. The displacee can elect to change loan programs once WSDOT determines a threshold for the level of reimbursement on a similar loan program. In the event the person obtains a smaller mortgage than the mortgage balance(s) used to compute the “buy down” amount, the payment will be prorated and reduced accordingly. In the case of a home equity loan, the unpaid balance is that balance which existed 180-days prior to the initiation of negotiations or the balance on the date of acquisition, whichever is less. The region Relocation Specialist needs to obtain copies of displacement dwelling loan documents from the displacee.
2. The payment is based on the remaining term of the mortgage(s) on the displacement dwelling or the term of the new mortgage, whichever is shorter.
3. The interest rate on the new mortgage used in determining the amount of the payment cannot exceed the prevailing fixed interest rate for conventional mortgages currently charged by mortgage lending institutions in the area in which the replacement dwelling is located. The region Relocation Specialist needs to work closely with the lender to obtain Good Faith Estimates (GFE) on several different options for closing to determine if paying discount points on the replacement loan to obtain the lower rate is more cost effective than payment of an entire MIDP. A combination of both the MIDP and discount points can also be used. It might be helpful to obtain the following:
 - a. GFE to close at today's rate w/no discount points
 - b. GFE to close at the interest rate of the displacement loan using discount points
 - c. GFE to close with a mid-range interest rate and discount points
4. Purchaser's points (discount points) and loan origination or assumption fees, but not seller's points, are paid to the extent:
 - a. Are not paid as incidental expenses;
 - b. Do not exceed rates normal to similar real estate transactions in the area;
 - c. WSDOT determines them to be necessary; and
 - d. The computation of such discount points and fees are based on the unpaid mortgage balance on the displacement dwelling unless the cost to buy down the interest rate on the entire replacement loan is more cost effective for the agency than paying the calculated MID.
5. The displacee shall be advised of the approximate amount of this payment and the conditions that must be met to receive the payment as soon as the facts relative to the person's current mortgage(s) are known. The payment shall be made available at or near the time of closing on the replacement dwelling in order to reduce the new mortgage as intended. Communication with the lender

and escrow/title company is necessary to make sure payment can be made available at closing. The calculation can be verified using an MIDP software program. Contact HQ Relocation for more information.

6. The payment is contingent upon an actual mortgage being placed on the replacement dwelling.
 7. **Other Loan Programs** – Contact HQ Relocation for guidance ([RES-513](#)).
 8. **Partial Ownership** – If an MIDP is calculated on the replacement property it must be pro-rated in the same manner as the ownership of the displacement dwelling.
- E. **Total Payment** – The total of the payments for purchase of replacement housing (Price Differential, increased interest, and incidental purchase expenses) cannot statutorily exceed \$31,000 under this section. If the amount exceeds this maximum, housing of last resort is required (see Section 12-7.4).
- F. **Short Sale Bank/REO or HUD Home Purchase** – If a displacee elects to purchase a short sale or a HUD home as their replacement dwelling, the home must pass the DSS inspection prior to the release of any RHP. In addition, if the displacee chooses to purchase a bank/REO property or even a short sale and it takes longer than expected and the ad date is approaching, the displacee could be required to move once their 90-day assurance expires and a notice to vacate is issued. In such instances, WSDOT cannot approve costs associated with a double move (i.e., storage, per diem, temporary housing).

12-7.3.1.2 Rent Supplement Payment for 90-Day Owner who rents

49 CFR 24.401(f)
WAC 468-100-401(6)

- A. **General** – A displaced owner who is eligible for a RHP but who elects to rent a replacement dwelling is eligible for a rent supplement payment not to exceed the price differential amount the displacee would have received as a 90-day owner occupant.
- B. **Computation and disbursement of payment** – The payment is computed and disbursed as provided for a 90-day tenant who rents. The base rental rate is defined as the economic rent plus utilities. Computation for this payment is submitted on a Rent Supplement Report (RES-543) and the Housing Comparison Work Sheet (RES-541).

12-7.3.2 90-Day Tenants

12-7.3.2.1 Rent Supplement for a 90-Day Tenant who rents

49 CFR 24.402
RCW 8.26.055
WAC 468-100-402
49 CFR 24.402(a)
WAC 468-100-402(1)

- A. **Eligibility** – A displaced 90-day tenant is eligible for a rent supplement payment not to exceed \$7,200 when the following conditions are met:
 1. The displaced tenant is in actual and lawful occupancy at the initiation of negotiations for the acquisition of the real property, or is in occupancy at the time a written notice is given by WSDOT that it intends to acquire the property by a given date.

2. The displaced tenant has been in occupancy for at least 90 consecutive days immediately prior to the initiation of negotiations or 90 days prior to the date of vacation, if a notice of intent to acquire was previously delivered.
3. The property is subsequently acquired or an order to vacate is delivered even though the property is not acquired.
4. The displaced tenant rents and occupies a DSS dwelling within one year from the date they move from the displaced dwelling.

B. Computation of payment

49 CFR 24.402(b)
RCW 8.26.055
WAC 468-100-402(2)

1. **Amount of payment** – A maximum rent supplement payment is calculated using a Rent Supplement Report (RES-543) and Housing Comparison Work Sheet (RES-541). The payment is determined by multiplying 42 times the amount obtained by subtracting the base monthly rent and utility costs for the displacement dwelling from the monthly rent and cost of utilities, as determined below in item #2, Utility Costs, for a comparable replacement dwelling.

49 CFR 24.2(a)(30)
WAC 468-100-002(30)

2. **Utilities costs** – Utilities include electricity, gas, other heating and cooking fuels, water, and sewer. Garbage is not considered a utility and is not included in the rent supplement computation. The region Relocation Specialist may use various sources to obtain this information including displaced tenant's receipts or monthly billings, a schedule or average cost provided by the respective utility company, or a utility rate cost schedule if available, from the local housing authority. The latter method is preferred and can be found at www.awha.org/contact.html. Schedules may be based upon number of adults and children in the family, approximate square footage of the dwelling, type of construction, etc. The data source must be identified in the Correlation and Conclusion portion of the Housing Comparison Work Sheet. The method chosen to calculate utility costs must be utilized throughout the entire project (subject dwelling(s) and comparables) to maintain consistent and uniform treatment of all displacee's.

49 CFR 24.402(b)(2)
WAC 468-100-402(2)(b)

3. **Base monthly rent** – This amount is the lesser of:
 - a. The actual monthly rent and average utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by WSDOT (for an owner occupant, use the fair market rent for the displacement dwelling. For a tenant who paid little or no rent for the displacement dwelling, use fair market rent, unless it would result in a hardship because of the person's income or other circumstances.); or
 - b. Thirty percent (30%) of the displacee'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 (www.fhwa.dot.gov/realestate/ua/ualic.htm). The base monthly rent shall be established solely on the criteria in "a" above for persons with income exceeding the survey's "low income" limits and persons considered dependents. A full time student or resident of an institution may be assumed to be a dependent, unless the person demonstrates otherwise. The displacee will need to furnish documentation

(i.e., pay stubs, income tax return, bank statements) of income to support monthly income figures. Social security is a government program that is considered income by federal law. Therefore, even though the benefits are for dependent children, it should be considered as family income used to support the disabled children, not income received or earned by dependent children. Food stamps are not considered income. If the tenant does not provide income verification as requested or provides inaccurate documentation, the rent supplement should be calculated by subtracting the actual rent and utilities at the acquired dwelling from the rent and utilities at the replacement dwelling (rent to rent).

- c. The monthly amounts designated for shelter and utilities if the displacee receives a welfare assistance payment from a program that designates the amounts for shelter and utilities.

49 CFR 24.403(e)
WAC 468-100-403(5)

C. Change of Occupancy – displaced tenant has not used maximum entitlement

– A tenant, after initially moving to a DSS dwelling that does not maximize the calculated rent supplement, may relocate to another higher cost replacement dwelling within the one-year period, and may submit another claim for the amount in excess of what was originally claimed, but not to exceed the maximum rent supplement computed. The region Relocation Specialist makes a DSS inspection, confirms the new rental amount, and computes the rent supplement based upon the new rental amount. The claim is then processed in accordance with this manual. Once the displacee rents and occupies a replacement dwelling within the allotted timeframe, the displacee vests fully in the calculated RHP.

D. Government Subsidized Housing – Comparable housing for those occupying government subsidized housing will be determined by the family composition at the time of displacement and current housing program criteria, not the size of the unit currently occupied. WSDOT will not impose rules of comparability for those occupying government housing. WSDOT will continue to keep displaced tenants receiving government housing (Section 8 Housing Choice Voucher) in their government program, however, if the displacee is required to pay more rent out of their pocket at the replacement rental they are eligible to receive a rent supplement payment referred to by HUD as a “Gap Payment”. These relocation payments are not considered income and will not jeopardize the tenant’s eligibility to remain in Section 8 Housing Choice Voucher housing if they accept the relocation payment.

- An example of the formula to compute a Section 8 (Housing Choice Voucher) rental supplement is the following: Mrs. G is a Section 8 tenant. Her old rent and new rent is shown below. We use the portion of her old rent and subtract it from what she would pay for the comparable (utilities not included).

1. Total old rent	\$525
(Note: \$525 does not include cost of utilities)	
2. Her portion of rent at old address:	\$114
3. HUD subsidy rent payment	\$411

4. Total new rent	\$603
(Note: \$603 does not include cost of utilities)	
5. Her portion of rent for new address	\$192
6. HUD subsidy rent payments	\$411
Her portion of new rent	\$192
Her portion of old rent	\$114
Difference	\$78
$\$78 \times 42 = \$3,276$	

Mrs. G is eligible for a rental supplement of \$3,276 aka HUD Gap Payment which is not considered income.

12-7.3.2.2 Replacement Housing Payment for a 90-Day Tenant Who Purchases

49 CFR 24.402(c)
RCW 8.26.055(2)
WAC 468-100-402(3)

- A. **General** – A displaced tenant eligible for a rent supplement payment who elects to purchase a replacement dwelling is eligible to receive an amount, not to exceed the amount of the maximum rent supplement or \$7,200 whichever is greater, to enable the displaced tenant to make a down payment toward the purchase of a replacement dwelling.

49 CFR 24.402(c)(2)
WAC 468-100-402(3)(b)

- B. The full amount of the RHP must be applied to the purchase price of the replacement dwelling and related incidental purchase expenses, not including prepaid costs like taxes and insurance. The region Relocation Specialist shall advise the displacee that WSDOT strongly recommends that the displacee obtain a professional home inspection of their selected replacement dwelling. Should the displacee elect to have a home inspection, WSDOT can reimburse such costs upon receipt of a copy of the inspection report up to the maximum RHP. The home inspection report can be attached to the DSS Replacement Dwelling Inspection Report. In the event the displacee chooses not to have a home inspection, the region Relocation Specialist will notify the displacee in writing regarding the risks associated with not obtaining a professional home inspection. This letter should be sent via CERTIFIED mail. Incidental expenses are inclusive of the total entitlement and cannot exceed the RHP. Since the displaced tenant usually lacks sufficient funds to make the down payment, an escrow arrangement is established. The region Relocation Specialist will obtain a preliminary closing statement or a good faith estimate from the lender or the escrow company. The region Relocation Specialist needs to work closely with the lender and escrow/title company to make sure the down payment is applied and shown correctly on the closing statement. Once the loan closes the region Relocation Specialist is required to perform a reconciliation of the final closing statement to ensure all funds were applied correctly and send it and supporting documentation to HQ.
- C. **Short Sale Bank/REO or HUD Home Purchase** – If a displacee elects to purchase a short sale or a HUD home as their replacement dwelling, the home must pass the DSS inspection prior to the release of any RHP funds. In addition, if the displacee chooses to purchase a bank/REO property or short sale property and it takes longer

than expected and the ad date is approaching, the displacee could be required to move once the 90-day assurance expires and a notice to vacate has been issued. WSDOT will not approve costs associated with a double move (i.e., storage, per diem, temporary housing) resulting from the delays in relocating to a short sale or bank/REO property.

12-7.3.3 Short-Term Occupants (less than 90-Day Occupants but before initiation of negotiations) and Subsequent Occupants (occupy dwelling after initiation of negotiations but before acquisition) Requirements

49 CFR 24.403(d)
WAC 468-100-403(4)

Short-term occupants are persons who have been in occupancy less than 90-days prior to initiation of negotiations. Subsequent occupants are persons who move into the displacement dwelling after initiation of negotiation, but prior to WSDOT's actual acquisition of the property. Displacees failing to meet the length of occupancy requirements continue to be eligible for relocation entitlements under housing of last resort. Base monthly rent will be computed in accordance with Section 12-7.3 and displaced tenants must provide the same required documentation.

12-7.4 Housing of Last Resort

12-7.4.1 Applicability

49 CFR 24.404
WAC 468-100-404
49 CFR 24.404(b)
WAC 468-100-404(2)

- A. **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 section. WSDOT will not require any displacee to accept a dwelling provided by WSDOT under these procedures unless WSDOT and the displacee have entered into a contract to do so. A displacee may choose other replacement housing and receive relocation entitlements if all requirements are met by the chosen replacement dwelling.
- B. **A number of situations may arise which require the application of this section:**
 1. The RHP will exceed the statutory monetary limits set forth as follows:
 - a. \$31,000 for 90-day owner occupants. This amount represents the sum of the price differential, increased mortgage interest, and incidental expenses.
 - b. \$7,200 for 90-day tenant occupants. This amount is the rent supplement.
 2. There is no comparable housing available for sale in the entire project area.
 3. Comparable housing is not available within the financial means of a displacee who fails to meet the necessary length of occupancy requirements.
 4. A program or project cannot be advanced to completion in a timely manner without housing of last resort.

49 CFR 24.404(a)
WAC 468-100-404(1)

12-7.4.2 Methods of Providing Housing of Last Resort

A. Super Payments

49 CFR 24.404(c)
WAC 468-100-404(3)

1. In the case of a 90-day owner occupant whose total calculated RHP exceeds \$31,000, usually the most economical and reasonable method of providing housing is by paying the entire calculated RHP towards the purchase of the replacement dwelling.
 2. In the case of a 90-day occupant, short-term occupant, or subsequent occupant whose estimated RHP exceeds \$7,200, usually a RHP is selected as the most economical method of providing replacement housing.
- B. Rehabilitation or other modifications to an existing dwelling. This may be necessary to enable the dwelling to meet minimum DSS standards and/or to provide additional bedrooms and other living area.
- C. Purchase of land and improvements.
- D. Construction of new dwellings.
- E. Other methods of providing last resort housing, as approved by the Acquisition Program Manager.

12-7.4.3 Last Resort Housing Narrative

- A. A last resort housing narrative is required for all cases under this section, where it is estimated that a RHP will exceed statutory limits or comparable DSS housing is not available, etc.
- B. Anticipated shortfalls of replacement housing, which will require construction or purchase and rehabilitation of existing housing should be addressed as early as the Environmental Impact Statement, if possible. This will allow for sufficient lead-time to ensure that replacement housing will be in place at the appropriate time. Housing of last resort requiring super payment or other solutions must be addressed at the Relocation Plan Stage.
- C. The narrative should be included as part of the region Relocation Specialist's correlation and conclusions which is submitted with the Housing Comparison Work Sheet to HQ Relocation.
- D. Relocation payments in excess of \$31,000 for owner occupants and \$7,200 for tenants must be coded properly in the "object of expenditures" portion of the Relocation Assistance Voucher. The payment must be broken out to show that the amount of payment within the statutory limits will not be a last resort payment while the amount in excess of the limits would be shown as last resort.

12-7.5 Residential Moving Entitlements

49 CFR 24.301(b)
RCW 8.26.035(2)
WAC 468-100-301(2)

A “displaced person” is entitled to receive a payment for the move of personal property located on the displacement property. The displacee has the option of selecting a commercial move, a self-move, or a combination of both. If the displacee selects a commercial move, the region Relocation Specialist can direct the displacee to the Utilities and Transportation Commission (UTC) website: www.utc.wa.gov/consumers/movers/Pages or provide them with a list of movers permitted through the UTC. However, WSDOT must not recommend or endorse any particular mover, nor may we select the mover or take responsibility for the move itself. Our regulatory responsibility is to reimburse the displacee for the cost incurred in utilizing a commercial mover; we can also enter into an agreement to make payment directly to the mover as a convenience to the displacee. Also, we can reimburse the cost of insurance to cover such a move. A fixed residential move cost is based on a fixed schedule based on the number of eligible rooms. An actual cost self-move is supported by receipted bills for labor and equipment. Self-moves based on the lower of two bids or estimates are not eligible for reimbursement.

- A. **Multiple occupants of a dwelling unit** – Two or more families occupying the same dwelling unit who relocate into separate dwelling units may elect to receive a commercial move or receive a self-move for each family. A self-move is based on the number of rooms actually occupied by each family, plus community rooms utilized by each family.
- B. **Dwelling salvage** – When an owner acquires salvage rights to the acquired dwelling, the cost of moving that dwelling onto the remainder or replacement land is not eligible for reimbursement as a part of the cost of moving personal property. However, if the displacee chooses to use this dwelling as a means of moving personal property, the cost of moving personal property is considered eligible. Payment in these cases would be on a self-move basis.
- C. **Moving Advisory Assistance** – The region Relocation Specialist must explain all of the moving options available to the displacee. However, the decision as to which option to select is to be made by the displacee. While the region Relocation Specialist might assist the displacee in understanding the relative advantages of each of the options, the region Relocation Specialist must not direct the displacee’s decision.
- D. **Disposal of personal property and hazardous materials** – This should be handled according to the procedures set forth in Section 12-8.2.1, actual move costs for nonresidential displacements.

12-7.5.1 Self-move, Fixed Residential Moving Cost Schedule

49 CFR 24.302
RCW 8.26.035(1)
RCW 8.26.035(2)
WAC 468-100-302

- A. **Methods for providing scheduled move payments** – Displacees are eligible to receive a moving expense and dislocation allowance according to the schedule shown below. The schedule applies to residential occupants of furnished or unfurnished dwelling units. In certain cases, it may be necessary to utilize both methods to calculate a scheduled move payment.

Fixed Moving Payment Schedule

1. Room Count Method

(For relocating personal property to be moved from a dwelling unit.)

Number of Eligible Rooms	Occupant Owns Furnishings	Occupant Does Not Own Furnishings
1	\$600	\$300
2	\$800	\$350
3	\$1,000	\$400
Additional Rooms	\$200 each	\$50 each
Dislocation Allowance =	\$400 and is included in the first room count above for occupants who owns furnishings	

2. **Additional personal property method** – The above schedule can be used when relocating personal property such as vehicles, RV's, boats, and trailers from the outside areas surrounding the residential dwelling unit. The region Relocation Specialist must figure the number of eligible rooms based on the volume of the property to be moved. Excessive room counts for this type of move would be best handled as an actual cost self-move.
3. Payment is limited to \$100 if a person has minimal possessions and occupies a dormitory style room.

B. Computation

- The moving expense payment is computed on the number of furnished rooms in the dwelling unit (not to include bathrooms) plus basements, attics, garages, and "out buildings" if such spaces do, in fact, contain sufficient personal property to constitute a room or rooms.
- The number of eligible rooms is documented by the region Relocation Specialist in the diary. This room count shall be approved by the Region Relocation Supervisor. Where unusual personal property situations exist, other rooms may be added as long as justification and documentation are provided and the Region Relocation Supervisor approves.

3. In cases where there is an abundance of personal property in the residence and there are more than the typical number of operating or nonoperational vehicles such as boats, trailers, on a residential dwelling site, the cost to move the personal property items located in the residence should be handled by a room count and the remainder could be handled as an actual cost move supported by receipts and/or invoices.
- C. **Occupant Landlords** – Occupant landlords may elect either move method, but only for their own living unit. Landlords are considered to be business operators and as a business operator, such landlord may be eligible for the business moving payments with respect to the personal property furnishings in rental units.
- D. **Authorization** – Before the move, the region Relocation Specialist and the displacee complete the Moving Expense Agreement (RES-540, 540a), which confirms the type of move and agreed upon amount (for a self-move.).
- E. **Inspection** – After the move, the region Relocation Specialist inspects the acquired dwelling and verifies that all the personal property has been removed. If sufficient quantities of personal property remain, which would constitute a room or rooms, the region Relocation Specialist will reduce the number of rooms and adjust the payment accordingly. Diary entries are required to verify the results of the inspection and any adjustments to the moving expense payment. The region Relocation Specialist should also record the vacate date in the diary and make the necessary computer entries.

12-7.5.2 Self-move, Actual Cost

- A. The displacee may elect to perform an actual cost move supported by receipted bills for labor and equipment. Hourly labor rates should not exceed the cost paid by a commercial mover. Equipment rental fees should be based on the actual cost of renting the equipment but not exceed the cost paid by a commercial mover.
 1. The region Relocation Specialist works closely with the displacee to develop a written and photo inventory of the personal property items to be moved.
- B. **Computation** – The region Relocation Specialist reviews the supporting documentation submitted by the displacee to ensure the charges are considered reasonable and necessary for the amount of personal property that was moved. If there is a question as to the reasonableness of the costs submitted, the region Relocation Specialist may have to provide both the photo and written inventory to a commercial mover and ask for an estimate. The estimate can only be used to determine if the amount being requested is reasonable. Self-moves based on bids or estimates are NOT eligible for residential moves per [WAC 468-100-301\(2\)](#).
 1. The computation and supporting documentation is sent to the HQ Relocation Reviewer for review and approval.

12-7.5.3 Residential Commercial Move

- A. A displacee who selects a commercial move can request that WSDOT pay the commercial mover directly for the move of the personal property. However, the agreement for direct payment must not extend beyond simply making the payment—WSDOT assumes no responsibility either for the mover or the move itself. The region Relocation Specialist must advise the displacee that insurance to cover such a move may be a reimbursable expense. Reimbursement of moving expenses is limited to a 50-mile radius. If the move is greater than 50 miles the displacee is responsible for the costs associated with the excess mileage unless WSDOT has determined there is no comparable replacement housing available within the 50-mile radius and approves the additional mileage.
- B. **Other Expenses** – Under certain unusual and/or unforeseen circumstances, it may be necessary to reimburse the displacee for actual costs incurred during their move. The region Relocation Specialist must submit a memorandum to the HQ Relocation Reviewer explaining the situation and request approval for reimbursement of certain expenses as follows:
 1. Actual costs of temporary lodging and meals based on either actual receipts or using state per diem rates.
 2. Actual costs of transportation of displacees to the replacement dwelling, if necessary, and in special cases such as medical, ambulance transport or special transport of disabled persons.

12-7.5.4 Ineligible Moving and Related Expenses

Refundable security deposits and utility deposits are considered ineligible expenses and cannot be reimbursed to the displacee.

12-7.6 Claiming Relocation Entitlements

12-7.6.1 Replacement Housing Claims

49 CFR 24.207(a)
WAC 468-100-207(1)
49 CFR 24.207(d)
WAC 468-100-207(4)

- A. **Time limits for filing claims for RHPs**
 1. A 90-day owner must purchase or rent and occupy a DSS replacement dwelling within one year from the later of:
 - a. The date the displacee receives final payment for the displacement dwelling or, in the case of condemnation, the date the required amount is deposited in court; or
 - b. The date the displacee moves from the displacement dwelling.
 2. A 90-day or less than 90-day (Short-Term Occupant or Subsequent Occupant) tenant must purchase or rent and occupy DSS replacement dwelling within one year from the date the displacee moves from the displacement dwelling.

- B. The region Relocation Specialist completes a DSS inspection to determine if replacement dwelling meets minimum standards to receive replacement housing payment.
- C. The region Relocation Specialist obtains all necessary documentation to substantiate the purchase price of the replacement dwelling (i.e., purchase and sale agreement or owner contract).
- D. The region Relocation Specialist completes the actual calculation portion of the Price Differential Report or Rent Supplement Report, obtains necessary signature on form(s), and sends the same to HQ with supporting documentation (i.e., purchase and sale agreement, rental agreement, and DSS report) for approval prior to the submittal of the relocation assistance voucher for payment of the replacement housing entitlement. The region Relocation Specialist should consult with the region Acquisition Specialist to determine if the displacee received an administrative settlement. If so, this will have an effect on the actual calculation of the RHP and the region Relocation Specialist will need to send the displacee a revised entitlement letter (RES-507a). If an administrative settlement eliminates the price differential payment, the displacee is still eligible to receive reimbursement of the following:
 - MIDP
 - Incidental Closing Expenses

The region Relocation Specialist must perform a DSS inspection on the replacement dwelling prior to making any of the above payments.

- E. The region Relocation Specialist obtains preliminary information from the escrow company or the displacee to determine eligible incidental closing costs, if any. Typically this information is supplied to the region Relocation Specialist by the escrow company in the form of a preliminary closing statement.
- F. The region Relocation Specialist works with the displacee and the lender, when necessary, to calculate the Mortgage Interest Differential Payment (MIDP) ([RES-513](#)), if any, prior to closing.
- G. The region Relocation Specialist prepares the appropriate vouchers which are used as the claim for payments, obtains the displacee's signatures, and secures WSDOT signatures as provided on the Relocation Assistance Voucher ([RES-537](#)). The region Relocation Specialist should also obtain a SWV form from the displacee listed on the relocation assistance voucher, i.e., or vendor and submit to the WSDOT TRAINS Help Desk at TRAINSHelpDesk@WSDOT.WA.GOV) to obtain the SWV number. These forms should be obtained in accordance with the procedures set forth in [Chapter 10](#).
- H. The region Relocation Specialist submits all claims to HQ for approval and payment.

49 CFR 24.402(b)(3)
WAC 468-100-402(2)(c)

I. **Disbursement of Replacement Housing Payments (RHP)**

1. **RHP to 90-day Owner Occupant** – Replacement housing payments shall be disbursed in the following manner:
 - a. **Escrow Option** – This is accomplished by utilizing the Entitlement Instructions (RES-516). The region Relocation Specialist explains to the displaced owner (buyer), the seller, and the escrow agent, that the entire amount of WSDOT's payment is to be applied toward the purchase price and applicable closing costs associated with the purchase of the replacement dwelling as stated in the Entitlement Instructions; or
 - b. **Direct Payment to the Displaced Owner Option** – This is accomplished by the following:
 - (1) Reimbursement will be made directly to the displaced owner based on a **final** closing statement and submittal of all other supporting documentation (i.e., purchase and sale agreement, contract, receipts).
 - (a) If a displaced owner goes into an assisted living situation, the payment can be made directly to the displaced owner based on a signed resident agreement and copy of monthly charges along with any other supporting documentation (i.e., terms of care, breakdown of fees). Contact HQ for current policy on disbursement of funds for this situation.
 - (2) Direct payment can be made to the seller on behalf of the displaced owner based on a final closing statement and submittal of all other supporting documentation (i.e., purchase and sale agreement, contract, receipts).
 - (a) If a displaced owner goes into an assisted living situation, the payment can be made to the care facility on behalf of the displaced owner based on a signed resident agreement and copy of monthly charges along with any other supporting documentation (i.e., terms of care, breakdown of fees). Contact HQ for current policy on disbursement of funds for this situation.
2. **RHP to 90-Day Occupant, and Less Than 90-Day Occupant (Short Term and Subsequent Occupant)** – The following types of replacement housing payments shall be made:
 - a. Full payment to the displaced tenant at the time of occupancy of a qualified replacement dwelling. The first \$7,200 RHP payment should be coded JN 77 and any last resort housing payment should be coded JN 80.
 - b. The entire amount of the rent supplement is applied toward down payment and closing costs for the replacement dwelling. Incidental expenses are inclusive of the total entitlement and cannot exceed the RHP.

49 CFR 24.402(c)
WAC 468-100-402(3)

- (1) **Escrow Option** – This is accomplished by using the Entitlement Instructions for Down Payment Assistance (RES-516a). The region Relocation Specialist explains to the displaced tenant (buyer), the seller, and the escrow agent, that:
 - (a) The entire amount of WSDOT's payment is to be applied toward the purchase price and applicable closing costs associated with the purchase of the replacement dwelling as stated in the Entitlement Instructions.
- (2) **Direct Payment to the Displaced Tenant** – This is accomplished by either of the following:
 - (a) Reimbursement will be made directly to the displaced tenant based on a final closing statement or equivalent documentation.
 - (b) Direct payment can be made to the seller on behalf of the displaced tenant. The displaced tenant needs to sign the voucher authorizing payment to the seller.

12-7.6.2 Moving Claims

- A. The region Relocation Specialist should be informed of the type of move that has been selected by the displacee prior to any move taking place.
- B. The region Relocation Specialist is responsible for monitoring the move. This can be accomplished by an on-site visit or phone call the day the move begins. This will ensure the personalty is moved to the replacement site and will help to answer any questions that may arise on the day of the move. The region Relocation Specialist should document all monitoring activities in the diary.
- C. When the move is complete, the region Relocation Specialist verifies that all personal property is removed from the displacement property, verifies that all personal property is at the replacement property, and completes the Vacate Inspection form (RES-517). Verification can include photos of the vacated site and photos of the replacement site. The region Relocation Specialist should clearly document the on-site vacate inspection in the diary, enter the vacate date on the relocation voucher, and in IRIS. Upon such verification, the region Relocation Specialist prepares a voucher, secures the appropriate signatures, and submits the voucher for processing and payment. If the displacee fails to move all the personal property an adjustment should be made in the payment amount prior to the voucher being signed. The region Relocation Specialist is then responsible to clear the items which can be accomplished by hiring a professional mover or coordinating with the region Property Management for removal of items. The region Relocation Specialist should also obtain a SWV form from the payee listed on the relocation assistance voucher, i.e., displacee or vendor.

- D. In case of a commercial move, the region Relocation Specialist verifies that the move is complete.
 - 1. If personal property is not removed and not abandoned, the region Relocation Specialist should inform the displacee. If there are items that the commercial mover is unable to move then the region Relocation Specialist should advise the displacee to make arrangements with a specialty mover. The displacee can also take responsibility for those items and be reimbursed based on a reasonable amount determined by WSDOT.
 - 2. If the personal property is not removed and is abandoned, the region Relocation Specialist should get an abandonment notice signed by the displacee and make the necessary arrangements with a mover or region Property Management to have the items removed. Abandonment of personal property should be handled as outlined in the section of this chapter titled “Abandonment of Personal Property.”
 - 3. Upon completion of the move, reimbursement shall be based on invoices or paid receipts.
- E. The region Relocation Specialist assures that the displacee makes a claim for move payment within 18 months after vacating the displacement property or receiving final payment, as appropriate. If the displacee has not claimed moving entitlements, the region Relocation Specialist advises the displacee of the time remaining within which to file a claim (RES-536 or RES-536a).

12-7.6.2.1 Abandonment of Personal Property

The region Relocation Specialist should work closely with the displacee to remove all personal property items from the right of way. WSDOT will pay the cost to move the items as set forth in [Section 12-7.5](#) – Moving Entitlements; appropriate calculations should be performed and required notices provided. Disposal costs are not paid in addition to the move costs. The region Relocation Specialist should not encourage items to be left on the property and should advise the displacee that they will be financially responsible for the removal of the items. In the rare instance personal property is left at the displacement property, the region Relocation Specialist will need to obtain the region manager’s approval prior to obtaining a signed abandonment letter from the displacee stating the displacee is abandoning the personal property to WSDOT and cannot claim payment for moving said abandoned property. Once approval is obtained, the moving expense attributable to the abandoned property will be deducted from the displacee’s final move payment. The region Relocation Specialist should make the necessary arrangements through the Relocation Assistance Program to hire a mover to clear the property or check with region Property Management to have the items removed from the property according to procedures set forth in [Chapter 11](#). If the property is clear at the vacate inspection, the region Relocation Specialist does not need to obtain a signature from the displacee on the abandonment notice.

12-7.6.3 Residential Payment Claims

As a general rule, moving cost payments and replacement housing payments are not made prior to completion of the move, and/or occupancy of the replacement dwelling. However, exceptions arise where, due to extenuating circumstances, the case merits special consideration. When these special cases arise, the HQ Relocation Reviewer may authorize advance payment of relocation claims.

49 CFR 24.207(c)
RCW 8.26.085(1)(b)
WAC 468-100-207(3)

A. Advance Replacement Housing Payments

1. Advance payment may be necessary in cases where a displacee is entitled to a replacement housing payment for a replacement dwelling but does not have sufficient funds with which to gain the right of occupancy prior to receiving relocation payments.
2. It is a good idea to advance such an RHP for an owner occupant to an escrow agent. However, there may be certain situations where a displaced owner may elect to purchase a replacement dwelling on contract or pay the purchase price in full and may choose not to have the transaction closed in escrow.
3. Any displacee must be in agreement with making payments directly to a 3rd party on their behalf. This is accomplished by having the displacee sign the relocation voucher. The region Relocation Specialist must also clearly document in the diary that the payment is being made at the request of the displacee. The region Relocation Specialist should obtain a SWV form from the payee listed on the voucher.
4. Requests for down payment and rent supplement advances are authorized where payment of the down payment or a rental deposit is a prerequisite to occupancy.
5. Requests for advanced RHPs to owners are considered necessary when the funds made available directly to the displacee from WSDOT's acquisition of the property are insufficient to secure occupancy of a replacement dwelling.
6. The burden of proving the reasonableness and necessity of advance payments rests upon the displacee requesting the advance payment.

49 CFR 24.207(c)
RCW 8.26.085(1)(b)
WAC 468-100-207(3)

- #### B. Advance Moving Payment
- When a displacee is financially unable to pay the expenses involved in a move, a payment in advance of the move may be authorized. Payments reasonably necessary to cover the costs incidental to moving may be approved by the HQ Relocation Reviewer and paid in advance of the move. This advance payment may cover such incidental expenses as transportation, equipment, and materials. The amount of any proposed advance payment for moving expenses should not exceed 25 percent (25%) of the approved move amount as shown on the Moving Expense Agreement ([RES-540](#)), unless there are unusual and extraordinary circumstances. The amount previously paid is deducted from any reimbursement for moving expenses, which is due the displacee upon completion of the move.

12-7.6.3.1 Processing and Payment of Claims

- A. When the displacee is ready to make claims for any or all of their relocation entitlements, the region Relocation Specialist provides the displacee with the appropriate forms for making the claim(s) and secures necessary documentation from the displacee, which includes a SWV form.
- B. The completed SWV form is transmitted to the WSDOT TRAINS Help Desk (trainshelpdesk@wsdot.wa.gov) to obtain a SWV number.
- C. Upon final approval by the Region Relocation Supervisor, the region RESM authorizes payment and the voucher is processed in the region for payment. A copy of the TRAINS voucher, relocation voucher, invoice (if applicable), and daily warrant report showing the payment date are sent to the HQ Relocation Reviewer for the official file.
- D. Both the region and HQ should monitor partial and advanced payments to assure that the displacee does not receive payment in excess of the displacee's maximum entitlements.
- E. **Coding** – Relocation Assistance Vouchers are coded based on the type of relocation payment. The region Relocation Specialist must select the appropriate coding from the object codes and definition chart. See [Appendix 12-3](#) for a list and description of coding.

[Appendix 12-3](#)

12-8 Non-residential Relocation Entitlements (Business, Farm, and NPO)

12-8.1 Eligibility

- A. Displaced businesses, farms, and/or nonprofit organizations (NPO) may become eligible to receive moving payments for the following:
 - 1. Moving of personal property located within the acquired right of way.
 - 2. Moving of personal property when the acquisition of real property used for non-residential purposes causes the displacee to vacate a building or other real property not acquired.
 - 3. Reasonable and necessary moving payments for moving a property owner's nonresidential related personal property from a tenant occupied residential property.
 - 4. One move, except where it is determined by the HQ Acquisition Program Manager that it is in the public interest to authorize more than one move.
- B. Determining status - It is sometimes difficult to determine if a displacee is a displaced business, claiming to be a business, or simply a personal property owner. Examples include seasonal operations, roadside vendors, atypical business operations or locations, acquired improvements with personal property for an offsite service or operation but no notable business activity at the site, or multiple displaced business operation claims for one location. Below is a list of documents and items that should be considered in establishing the status of a displacee that is conducting business activities or claiming to be a business.

A tax return with specific business income and expenses for the displacement address would normally be adequate for this determination. In some cases where the business activity is obvious, such as a retail operation, a W-9 with a TIN (Taxpayer Identification Number) for the subject business might be sufficient, especially if they furnish an employer identification number.

Business Document list:

1. Tax Returns for the operation
2. Taxpayer Identification Number
3. Business License for subject location
4. Articles of Incorporation
5. Certified Financial Statements
6. Sales Tax Identification Number; for subject location
7. Or other reasonable evidence that the operation is a viable and legal business entity such as information from the Secretary of State's office or Department of Revenue

Depending on the clarity or lack thereof, a combination of documents may be needed in order to make this determination.

- C. A nonresidential displacement must be in lawful occupancy of the displacement site at the time of initiation of negotiations or subsequent to the initiation of negotiations but prior to its acquisition.

49 CFR 24.305
RCW 8.26.035(3)
WAC 468-100-304

- D. **Determining the Number of Businesses Displaced by Project** – It is acceptable to apply the considerations discussed in the Fixed Payment section to determine the number of business that are displaced by a public project. It is important to remember that while multiple businesses can operate at a displacement site there is a possibility that there may only be one displacement depending on the factors for determining the number of businesses.

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In determining whether two or more business activities constitute a single business or two or more separate businesses, all pertinent factors shall be considered, including the extent to which:

1. The same premises and equipment are shared;
2. Substantially identical or interrelated business functions are carried out and business and financial affairs are commingled;
3. The entities are held to the public, and to those customarily dealing with them, as one business; and
4. The same person or closely related persons own, control, or manage the affairs of the entities.

- E. In order to be eligible for reestablishment payments the region Relocation Specialist must view a copy of the most recent tax return filed and document in the diary that it is an operational business, farm, or NPO.

49 CFR 24.305(b)(1)

A landlord must provide a certified copy of their most recent year's tax return including the attached Schedule E. The tax return must be submitted to HQ for verification. This process needs to be completed before a Notice of Eligibility, Entitlements and 90-Day Assurance is delivered. A displacee(s) that owns property and rents the property to a business also owned and operated by the displacee is essentially renting to themselves. A business owner that rents the underlying land and/or business to themselves is often doing this for tax and liability reasons. In this instance the tax return and the displacee may consider themselves a landlord business but if no other rental property is shown on the displacee's income tax returns WSDOT will consider this one displacement.

- F. In situations where it is not as apparent that two businesses constitute a single business, and in order to avoid duplication of payment or unreasonable reimbursement, the criteria set out in 49 CFR 24.305(b) 1-4 and [WAC 468-100-205\(2\)](#) are used to determine whether a displacement constitutes one business or multiple businesses.
- G. Certification of the tax return will need to be completed by the individual who prepared the return, i.e., accountant, attorney, business owner. The statement can be as simple as the following: "I hereby certify that this tax return is a true and correct copy of my filed return." Once the tax return is reviewed by HQ, the tax return will be destroyed or mailed back to the displacee.

12-8.2 Nonresidential Moving Payments

12-8.2.1 Move Costs

49 CFR 24.301(d)
49 CFR 24.301(g)
RCW 8.26.035
WAC 468-100-301(4)
WAC 468-100-301(7)

The determination of realty versus personalty should be resolved prior to working with the displaced business to prepare an inventory of the personal property items to be relocated. This should be accomplished early in the process (the occupancy survey stage) with the appraiser as described in Section 12-5.2 Relocation Planning. The region Relocation Specialist should be able to consult the Realty vs. Personalty Report ([RES-217](#)) in the appraisal for a list of those items determined to be real property or personal property. If the Realty vs. Personalty Report is not clear or comprehensive as to what is realty and what is personalty, the starting point for the region Relocation Specialist to get clarification is the review appraiser. Depending upon the clarity of the appraisal itself, the reviewer may need to work with the appraiser to obtain the appropriate product. On federally-funded projects, it is essential that the appraisal comply with 49 CFR 24.103(a)(2)(i). If the appraiser has not clearly distinguished realty and personalty items, that appraisal would not fully comply with federal requirements.

49 CFR 24.301(g)
RCW 8.26.035
WAC 468-100-301(7)

- A. A displaced business is entitled to payment for actual moving costs which are determined by WSDOT to be reasonable and necessary. Actual moving costs include:
1. Transportation of personal property within a 50-mile radius.
 2. Packing, crating, unpacking, and uncrating of personal property.
 3. Disconnecting, dismantling, removing, reassembling, and reinstalling equipment, machinery, and other personal property.
 4. Storage of personal property for a period not to exceed 12 months if such expense is determined to be reasonable and necessary. Requests for storage from the displacee must be in writing and submitted to the HQ Relocation Reviewer for preapproval.
 5. Insurance for the replacement value of the personal property during the move and necessary storage. The region Relocation Specialist must obtain a copy of the insurance policy from the displaced business showing the amount of insurance coverage on the displaced business's personal property at the displacement location. This amount will be used by the region Relocation Specialist when reimbursing for actual replacement value insurance (RVI) purchased.
 6. Any license, permit, or certification required or associated with the operation of the business at the replacement site, which the displaced business had at the displacement location if deemed actual, reasonable, and necessary. The amount of this payment may be based on the remaining useful life of the existing license, permit, or certification (FHWA Q&A #63).
 7. Professional services for move planning, moving, and reinstalling the personal property. Refer to Section 12-8.5 for a list of those professional services considered to be eligible for reimbursement by WSDOT. The business owner should be advised to obtain at least two Scope of Work bids as outlined in Section 12-6 Advisory Services. The displaced business must hire a professional in order to be eligible for reimbursement. However, in some instances the displaced business can apply for a waiver and request that their displaced business be reimbursed for its work.
 - a. To apply for a waiver the displaced business must submit to WSDOT in writing a request to perform the professional services itself. The request must include the following:
 - (1) Business qualifications.
 - (2) Reasons for wanting to complete the work instead of hiring an outside professional.
 - (3) Hourly rate.
 - (4) Scope of work – not to exceed the amount stated in the proposal submitted.

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8. Re-lettering signs and replacing printed materials made obsolete by the move.
 - a. The region Relocation Specialist must work with the displaced business to complete a Pre Move Inventory (RES-535) of those items such as letterhead, business cards, and checks that become obsolete due to the displaced business's change of address to that of the replacement location. This should be done no later than the day of the move and is recommended prior to the commencement of the move. The region Relocation Specialist must obtain samples of any items to be reprinted. WSDOT will reimburse the displaced business owner either the cost to reprint the stock on hand or the minimum print. Once the items have been reprinted, the region Relocation Specialist must obtain invoices and verify with the printing company the minimum print. The region Relocation Specialist is required to obtain original or copies of each obsolete item that will be reprinted. It is recommended to give the business owner a large manila envelope or folder so they can collect samples of each obsolete item. Discuss with the displaced business where stickers with new address/phone numbers, etc., may be more appropriate than reprinting.
 - b. Costs incurred by a displaced business to notify its customers of its move to a replacement site, which may include but are not limited to post card mail-outs to existing customers or the revision of a yellow pages advertisement and/or website are eligible reimbursement costs subject to the following conditions:
 - (1) The cost must be documented, actually incurred, and reasonable. (i.e. , the reimbursement for revising a website must be supported by documentation evidencing the costs incurred and would not extend beyond basic changes such as the change of address, phone number, directions, and/or map to the new site). The design and incorporation of product descriptions and photographs, links, etc., would not be reasonable.
 - (2) The costs for notifying customers and the public of the business' change of location are eligible as actual moving expenses and considered as other moving related expenses that are not listed as ineligible.
9. **Actual Direct Loss of Tangible Personal Property** –See Section 12-8.2.1.1 for details.
10. The reasonable cost incurred in trying to sell an item that is not to be relocated.
11. **Purchase of Substitute Personal Property** –See Section 12-8.2.1.2 for details.
12. Expenses for searching for a replacement location, including transportation costs; meals and lodging; time or labor costs based on reasonable salary or earnings; fees paid to real estate agents or brokers to locate a replacement site, exclusive of any fees or commissions related to the purchase of such sites; time spent in obtaining permits and attending zoning hearings; and time spent negotiating the purchase or lease of a replacement site based on a reasonable salary or earnings.

This payment shall not exceed \$2,500. Search area is limited within 50 miles of the displacement location (RES-522).

13. Reasonable costs to secure professional move bids.
14. **Low Value/High Bulk** – 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 WSDOT, the allowable moving cost payment shall not exceed the lesser of: the amount which would be received if the personal property in question were sold at the site, or the replacement cost of a comparable quantity delivered to the new business location. (i.e., stockpiled sand, gravel, minerals, metals, and other similar items of personal property as determined by WSDOT). It is WSDOT's responsibility to determine what is reasonable and necessary for the relocation of those items, for the purposes of establishing a reimbursement threshold. (i.e., if the personal property to be moved includes an item which, because of its bulk or excessive costs required for disconnecting, moving and reconnecting such item, would be cheaper to replace than to move, WSDOT must limit reimbursement to the cost to replace—even if the displacee elects to move the item).
15. **Disposal of Personal Property and Hazardous Materials** – A displacee is eligible to be reimbursed for relocating personal property to a replacement site. The requirement includes items that may be of little value or use, items which because of their bulk are more costly to move than to sell or replace, and personal property which is considered to be hazardous material. WSDOT does not have the ability to preclude the displacee from relocating these items; nor, can WSDOT refuse the reimbursement if these items are relocated. WSDOT does have the authority and the responsibility to base the reimbursement of these items on what is “reasonable and necessary.” While the displacee's wishes with regard to the move of the personal property will be considered, WSDOT is accountable for the expenditure of public funds and must apply the test of “reasonable and necessary.”
 - a. As a general rule, WSDOT will not pay disposal costs for personal property in addition to move costs. If the displacee wishes to dispose of the personal property, any amounts that exceed the calculated move costs will not be reimbursed.
 - b. In the case of hazardous materials, which are considered to be personal property and eligible for moving cost reimbursement, the following guidelines will be used in applying the “reasonable and necessary” criteria:
 - (1) The costs determined by bid, estimate, or other procedural process for moving these materials to the replacement site (for a business that is reestablishing) are eligible for reimbursement.
 - (2) If the displacee voluntarily elects to dispose of these materials at a dump or other authorized disposal site, they can be reimbursed for the actual costs to transport and dispose, but not to exceed the costs of transporting the materials to the replacement site to which the business

is relocating. (i.e., if the estimated cost to move the materials to the replacement site is \$5,000 and the cost to transport to a disposal site plus the disposal fees are \$10,000, the reimbursement will be limited to \$5,000 if the displacee used the disposal option).

- (3) If the displacee must transport those hazardous materials to a dump or disposal site based on federal, state, or local law, code, or ordinance that precludes them from moving the materials to the replacement site, then the costs of transport and disposal would be eligible. Such law, code, or ordinance must be adequately documented in the official relocation file.
 - (4) If the displacee cannot move these materials to the replacement site because of inadequate storage space, then WSDOT must determine whether there were reasonably available sites to which the displacee could have moved that would have allowed storage space for these materials. If the determination is that alternate sites were not reasonably available, then WSDOT can reimburse the displacee for the costs of transporting and dumping of these materials at a disposal site. If, on the other hand, alternate sites were reasonably available, then reimbursement for the costs of transporting and disposing of the materials will be limited to the estimated cost to move the materials to the replacement site or, if there is any appreciable difference, the cost of moving the materials to a reasonably available alternate site. The key issue here is WSDOT will not reimburse the costs of disposing of these materials if WSDOT's project does not limit the displacee's options for relocating these materials or necessitate disposal.
16. **Move Supervision** – Supervision expenses include reimbursement for the time necessary to supervise the move. Supervision is sometimes necessary to direct the placement of personal property and to facilitate the moving process. The time to supervise the move (does not include planning) is limited to no more than the length of time it would take a professional mover to complete the actual physical move and is based on reasonable salary or earnings and must be preapproved by the region Relocation Supervisor prior to the initiation of the move. All expenses must be actual, reasonable, and necessary as determined by WSDOT. If the move is considered complex and a move planner has been approved, it may be reasonable to reimburse time spent by the move planner to supervise the move. The region Relocation Specialist will need to ensure there is no duplication of payment when there is more than one person supervising the move.

49 CFR 24.301(d)
RCW 8.26.035(1)
WAC 468-100-301(4)

- B. **Move Options** – Personal property as determined by an inventory from a business, farm, or nonprofit organization may be moved by one or a combination of the following methods:

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1. **Commercial Move** – A commercial move is based on the lowest acceptable bid or estimate prepared by a commercial mover. WSDOT prefers to obtain three bids as it can be difficult to determine the lowest acceptable bid if only two bids are obtained and the dollar figures are too far apart. WSDOT will reimburse the

bidder a reasonable amount to prepare requested bids. The region Relocation Specialist should discuss and come to an agreement with movers either prior to or during the walk through of the displacement site. The bid prep fee can be based on a flat fee or hours of preparation. The region Relocation Specialist must obtain written concurrence from the displaced business owner for the Request for Proposal and Moving Specifications (RES-521), and inventory prior to the solicitation of move proposals.

- a. The displacee can request that WSDOT pay the commercial mover directly.
 - b. The bids, Moving Expense Agreement, inventory, Request for Proposal, and Moving Specification, and specialist recommendation are submitted to the HQ Relocation Reviewer for review and approval.
2. **Self-move** – A self-move payment may be based on the lowest acceptable bid or estimate prepared by a commercial mover. Payment for a low cost or uncomplicated move may be based on a single bid or estimate. If the move is considered small and uncomplicated, and estimated move costs are less than \$10,000, a qualified region Relocation Specialist can prepare a “Specialist Move Estimate.” The region Relocation Specialist must provide a recommendation for approval to HQ requesting the use of a single bid or estimate.
 - a. The displacee may elect to take full responsibility for the move of its business or farm operation. In this event, the displaced business must prepare an inventory of the personal property to be relocated and assist the region Relocation Specialist in the preparation of a Request for Proposal and Moving Specification. The region Relocation Specialist then obtains three bids from qualified commercial movers. The region Relocation Specialist then creates a recommendation to offer a payment to the displaced business based on the lowest acceptable bid with all supporting documentation to the region Relocation Supervisor for review and approval.
 - b. The amount of the payment to be offered to the displacee may not exceed the amount of the lowest acceptable bid. The amount shall not include state sales tax and replacement value insurance (RVI) submitted by or included in the bid of a commercial mover. The region Relocation Specialist may offer a move cost lower than the lowest acceptable bid, taking into account the profit and overhead costs which the commercial mover includes in its bids. For a displacee to be reimbursed for RVI they will need to supply copies of the insurance policy and proof of payment.
3. **Actual Cost Self-Move** – An actual cost self-move may be necessary if time constraints or unreasonable circumstances prevent the region Relocation Specialist from obtaining move bids or estimates.
 - a. If bids cannot be obtained due to time constraints or unreasonable circumstances, the displaced business may move their business using their own resources. The displaced business will be reimbursed for their actual and reasonable moving costs as documented by paid receipts or other reasonable evidence of expenses, including time sheets or other documentation that

account for the hours of the people who performed the move. The region Relocation Specialist reviews the supporting documentation submitted by the displaced business to ensure the charges are considered reasonable and necessary for the amount of personal property that was moved. If there is a question as to the reasonableness of the costs submitted, the region Relocation Specialist may have to provide both the photo and written inventory to a commercial mover and ask for an estimate.

- b. Hourly rates for labor should be supported by receipted bills for labor and equipment. Hourly labor rates should not exceed the rates paid by a commercial mover to their employees who perform move activities. Equipment rental fees should be based on the actual rental cost of the equipment but not to exceed the cost paid by a commercial mover. These hourly rates can be obtained from local movers or the UTC website www.utc.wa.gov/consumers/movers/Pages/rulesRates.aspx.
4. **Combination of Commercial and Self-move** – A displaced business may elect to have a combination of both a commercial and a self-move. The displaced business must coordinate with the region Relocation Specialist and the commercial mover to ensure that all parties have a clear understanding of the respective roles and responsibilities. The region Relocation Specialist must closely monitor the move to confirm that each party is performing the correct tasks and duties. A moving expense agreement should be signed prior to the move.
5. **Move Monitoring** – The region Relocation Specialist is responsible for monitoring the move of the displaced business. This can be accomplished by an onsite visit or (for uncomplicated moves) a phone call the day the move begins. This will ensure the personalty is moved to the replacement site, will help to support the accounting of the inventory, will help to identify those items not moved which could potentially lead to a claim for a direct loss of tangible or substitute personal property, and will help to answer any questions that may arise the day of the move. The region Relocation Specialist should document all monitoring activities in the diary in addition to move progress photos.
6. Upon completion of the move, the region Relocation Specialist should perform a post move inventory. This may include photos of the vacated site, photos of the replacement site, identification of equipment requiring disconnects and reconnects, and/or any special considerations used to calculate the move cost estimate. For example, the region Relocation Specialist would need to substantiate that a crane was used to move a specialized piece of equipment if, in fact, the cost of crane was included in move cost estimate or bid. A post move inventory describes those personal property items identified as part of the relocation and could be addressed in a list, a comment on the vacate inspection, a diary entry, or an email to the reviewer, etc. The region Relocation Specialist needs to identify that all personal property was moved. This can be accomplished by comparing the pre-move inventory to the post move inventory. The results should be noted in the diary and the region Relocation Specialist should prepare a written/photo list along with the vacate inspection form.

49 CFR 24.301(i)
WAC 468-100-301(9)

12-8.2.1.1 Actual Direct Loss of Tangible Personal Property (DLT)

49 CFR 24.301(g)(14)
WAC 468-100-301(7)(n)
FHWA FAQ #64

- A. **Eligible Items** – Payment for actual direct losses of tangible personal property are allowed when incurred as a result of moving or discontinuing the business or farm operation. The payment shall consist of the lesser of:
1. The fair market value in place of the item as is for continued use at the displacement site, less the proceeds from its sale. The value in place can be obtained from a variety of resources, including an industry specialist, Fixtures, Furniture & Equipment (FF&E) appraisal, personal property appraisal, etc. The type of documentation needed will depend on the complexity of the personal property. To be eligible for payment, the displacee must make a good faith effort to sell the personal property, unless WSDOT determines that such effort is not necessary. When payment for property loss is claimed for goods held for sale, the fair market value shall be based on the cost of the goods to the business, not the potential selling price.; or
 2. The estimated cost of moving the item as is, but not including any allowance for storage; or for reconnecting a piece of equipment if the equipment is in storage or not being used at the acquired site. If the business or farm operation is discontinued, the estimated moving cost is based on a distance of 50 miles.
- B. **Evidence of Sale and Cost** – The owner is required to document the sale prices, if any, and the actual reasonable cost of advertising and conducting a sale. The owner must provide WSDOT with a copy of the bill(s) of sale or similar documents and copies of any advertisements, offers to sell, auction records, and other data supporting the bona fide nature of the sale. Reasonable costs incurred in attempting to sell an item(s) that is not relocated is reimbursable as a separate move cost and is not included in the DLT calculation.
- C. **Determination of Expenses and Losses (Specialist Recommendation)** – The region Relocation Specialist compares the amount of the loss (value for continued use) with the reasonable moving expense and recommends payment of the lesser amount in an explanatory memo addressed to the HQ Relocation Reviewer.
- D. **Losses Due to Unsuccessful Sale and Transfer of Ownership** – Whenever a bona fide sale is not completed because no offer is received for the eligible item and the item is abandoned, the amount of the eligible payment is as stated in “A” above. The abandoned personal property is transferred to WSDOT via the Transfer of Ownership form (RES-548).
- E. When personal property is abandoned with no effort being made by the owner to dispose of such property by sale, the owner is not entitled to moving expenses or losses for the items involved.
- F. The cost for removal of abandoned personal property through the transfer of ownership will not be considered as an offsetting charge against other payments that the displacee is entitled to receive.

49 CFR 24.301(j)
WAC 468-100-301(10)

12-8.2.1.2 Substitute Personal Property (SPP)

49 CFR 24.301(g)(16)
WAC 468-100-301(7)(p)
FHWA FAQ #65

- A. If an item of personal property, which is used as part of a business or farm operation, is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, the displacee is entitled to payment of the lesser of:
 1. The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item. To be eligible for payment, the displacee must make a good faith effort to sell the personal property, unless WSDOT determines that such effort is not necessary;
 - OR
 2. The estimated cost of moving and reinstalling the replaced item but with no allowance for storage. The estimated cost for a low cost or uncomplicated move may be based on a single bid or estimate.
- B. "Trade-in value" may be substituted for net proceeds of sale where applicable.
- C. Losses Due to Unsuccessful Sale and Abandonment. Whenever a bona fide sale is not completed because no offer is received for the eligible item and the item is abandoned, the amount of the eligible payment is as stated in "A" above.
- D. When personal property is abandoned with no effort being made by the owner to dispose of such property by sale, the owner is not entitled to moving expenses or losses for the items involved. The abandoned personal property is transferred to WSDOT via Transfer of Ownership ([RES-548](#)).
- E. The cost for removal of abandoned personal property through the transfer of ownership will not be considered as an offsetting charge against other payments that the displacee is entitled to receive.

49 CFR 24.301(j)
WAC 468-100-301(10)

12-8.2.1.3 Calculating the Cost to Move an Obsolete Item When an Actual Estimate Cannot be Obtained

The region Relocation Specialist shall determine whether the business will move and replace the item, or discontinue the business, or continue but not replace the item in question. There are two options available as set forth in 49 CFR 24.301(g)(14) for actual direct loss of tangible personal property (first option) and 49 CFR 24.301(g)(16) for substitute personal property (the second option). The reason why it is necessary to determine which option applies, for purpose of establishing the "cost to move," is to determine whether the "cost to move" will include the costs to reinstall/reconnect.

- A. If the business discontinues or will not replace the item at the replacement site, installation/reconnection costs will not be included in the "cost to move" if the equipment is either in storage or otherwise not being used at the displacement site. However, if the equipment is installed at the displacement site then the installation/reconnection costs will be included in the "cost to move." In either case, the cost of code upgrades shall not be included in the cost to move.

- B. If the business will continue and plans to replace the item at the new site, the “cost to move” will include the costs for installation/reconnection of the substitute personal property.

Once this determination has been made, the “cost to move” will include the following:

1. Disconnection from displacement site.
2. Physical move to replacement site.
3. Cost to install/reconnect at replacement site if the item is installed at the displacement site.

If the item that is proposed to be replaced with substitute personal property is obsolete or in a condition where it cannot reasonably be moved and/or installed at the replacement site, the region Relocation Specialist shall take the following actions:

4. Obtain an estimate of the cost to remove the item from the displacement site (including disconnect) and move it as if it was intact and capable of being moved. For example, if a storage tank or water heater at the displacement site is considered to be personal property rather than real property, but its age and condition are such that a mover or specialist considers it not capable of being moved intact, have the estimator(s) provide a price to move as if it was in movable condition.
5. If the technology for the item in question has changed and it would not be adaptable for installation or reconnection at the replacement site, one option would be to obtain an estimate to install/reconnect a substitute item that most nearly matches the item in question but conforms to current technology.

Once estimates have been obtained, the calculation would be done consistent with 49 CFR 24.301(g)(16).

12-8.2.2 Ineligible Moving and Related Costs

49 CFR 24.301(h)
WAC 468-100-301(8)

A displaced business is not entitled to payment for:

- A. The cost of moving any structure or other real property improvement in which the displaced person retained salvage rights.
- B. Interest on a loan to cover moving expenses.
- C. Loss of goodwill.
- D. Loss of profits.
- E. Loss of trained employees.
- F. Any additional operating expenses of a business or farm operation incurred because of operating in a new location except as provided as a reestablishment expense.
- G. Any other impact that is not specifically defined as a utility in the procedures.
- H. Personal injury.

- I. Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the agency.
- J. Physical changes to the real property at the replacement location of a business or farm operation except as provided as a reestablishment expense.
- K. Costs for storage of personal property on real property already owned or leased by the displaced person.
- L. Refundable security and utility deposits at the replacement location.

12-8.2.3 Reestablishment Expenses

49 CFR 24.304
RCW 8.26.035(1)(d)
WAC 468-100-306

In addition to actual move costs, a small business, farm, or nonprofit organization may be eligible to receive a payment, not to exceed \$50,000, for expenses incurred in reestablishing their operations at a replacement location.

Claims for reestablishment expenses must be considered by WSDOT to be “actual, reasonable, and necessary.” In this context, reasonable means the costs are typical in the geographic area in which the displacement occurred for the type of goods or services being purchased. Necessary means that such goods or services are needed to carry out the reestablishment of the business in conformance with the requirements of the Uniform Act. The test for reestablishment expenses at times may deal with comparing or matching amenities or characteristics of the replacement site against the displacement site. Also, the test is one of necessity, i.e., is the expense necessary to reestablish the displaced business. This may be the main criteria when a business owner changes business use at the replacement site.

General guidelines for the region Relocation Specialist to follow:

- Market test – determine the availability of suitable replacement sites that are functional and similar to the subject site.
- Is the claim submitted typical of the area or nature of the business operation?
- Is it really needed in order to carry out the move of the business?
- Is the business reestablishing at a level greater than what they currently operate?
- What is the size of the building where they currently conduct business?
- When dealing with redecoration expenses, the region Relocation Specialist will need to determine if the items in question are serviceable or if it can be fixed. If it can be fixed, the cost of the repair or service would be reimbursable as a reestablishment expense. If the item cannot be repaired or serviced and it meets the test of reasonable and necessary then we have the flexibility to replace the item as a reestablishment expense.

It is important to remember that such expenses should be necessary to reestablish the present operation, not to improve it, not to allow it to enter new markets, or do those things that the operation should have done itself or wanted to do at the displacement location. Displacement provides an excellent opportunity for an operation to do all of those things itself, but they should not be accomplished with public funds. In the situation where a displaced business selects a larger replacement site or a betterment, these tests

allow the region Relocation Specialist to set a reasonable threshold for reimbursement based on the size or quality of the displacement site.

If the displaced business received a payment through acquisition, such as a “cost-to-cure,” which duplicates an eligible item under reestablishment, the reestablishment option **cannot** be used for such item, as this would represent a duplication of payment. However, if deemed reasonable and necessary, all or part of the difference between the actual cost and what was previously paid as a cost to cure by WSDOT or any other funds paid by another agency for that purpose could be an eligible reestablishment expense.

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The region Relocation Specialist is not expected to make an exhaustive search for other such payments; the region Relocation Specialist is only required to avoid creating a duplication based on their knowledge at the time the payment is made.

The region Relocation Specialist must obtain a copy of the displacement site lease and the replacement site lease. Leases may be used for determining level of reimbursement for increased costs, tenant improvements, and/or modifications to the replacement site. Many times a landlord will participate in or pay for tenant improvements and in order to avoid duplication of payment, verification of who is paying for what is needed.

49 CFR 24.304(a) WAC 468-100-306(1)

A. Eligible Reestablishment Expenses

1. Repairs or improvements to the replacement property as required by law or code.
2. Modification to the replacement property to enable the business to operate. Permits associated with modifications to the replacement are reimbursable.
 - a. The region Relocation Specialist must understand the difference between what constitutes an improvement (not required by code) to the replacement property, which is considered not eligible for reimbursement versus what constitutes a modification to the replacement property, which is considered a reimbursable reestablishment expense. The following definitions are for purposes of determining payment of relocation benefits:
 - (1) **Improvement** – that which the displacement site did not have and which adds to, instead of replaces, the functionality of the business operation.
 - (2) **Modification** – that which the displacement site had and which replaces the functionality of the business operation.
 - b. Scenarios are listed in [Appendix 12-1](#) to discuss eligibility of such items. The region Relocation Specialist needs to have, regardless of the scenarios listed, a copy of the existing lease at the displacement site (if there is one) and a copy of the appraisal which distinguishes between real and personal property. This information is necessary to determine who owns the property in question and to determine how it was handled in the appraisal process. It is possible for improvements to be considered real property, personal property, or trade fixtures which can result in different determinations. Each reimbursement decision must be based on the circumstances surrounding the individual details of the relocation (i.e., case-by-case basis).

Scenario #1
Scenario #2
Scenario #3
Scenario #4
Scenario #5

In all cases, we must avoid duplication of payment as described in 49 CFR 24.3. No person shall receive any payment under this part if that person receives a payment under federal, state, local law, or insurance proceeds which is determined by WSDOT to have the same purpose and effect as such payment under this part. So, if the displacee was compensated for the improvement in the acquisition of the displacement site and then submits a claim under reestablishment expenses for the same or similar improvement at the replacement site, it is not eligible for reimbursement because they have already been paid for the item. Per 49 CFR 24.304(b)(1) a claim for a capital asset (improvement) under reestablishment expenses at the replacement site is not eligible for reimbursement.

FHWA FAQ #76

- c. If a suitable replacement structure is not available and it is determined necessary for the owner of a small business, farm, or nonprofit organization to purchase or lease vacant property and build a structure to conduct business, adding the structure would generally not be an eligible reimbursement. Modifications to the structure to accommodate the business operation may be eligible for reimbursement. These modifications shall not include costs of substantial improvements normally found in a finished structure such as air conditioning and heating, septic or sewer service, well or water service, roof, walls and ceilings.

FHWA FAQ #77

When a replacement property already contains a structure, costs for structure modifications necessary to accommodate the business operation (e.g., moving walls, changing doors, modifying lighting) are eligible. An exception occurs if specific modifications are required to promote the proper operation of the relocated personalty (these costs are included as moving costs under Allowable Moving Expenses) Reasonable and necessary are the determining criteria.

3. Construction and installation of new signage to advertise the business.
4. Redecoration or replacement of soiled or worn surfaces such as carpeting, paint, paneling.
5. Advertisement of the replacement location. This includes actual and reasonable costs incurred by the business to advertise the replacement location beyond notification to existing customers of the business' change of location, which are eligible reestablishment expenses. This may include newspaper ads, flyers, or other forms of media advertising as long as the advertising focuses on the new location (i.e., the business might place a newspaper ad for a grand opening). Such costs are limited to advertisement of the replacement location and do not include costs to advertise products. The intent of this regulation is to pay for expenses associated with advertising the replacement location and not the general business. Promotional items such as pens, pencils, tee shirts, key chains, etc., are seen as general advertising of the business and not considered reimbursable under reestablishment expenses. A good guide to follow is if the advertising is intended to search for new clients then it would not be eligible. However, if the advertising is trying to get existing clients to the new location

and not tied to marketing of the business then it would be eligible. This is true even if the business owner changes the use of the business. It must focus on advertising the new location, not the business.

Appendix 12-8

6. Increased cost of operations for two years at the replacement site for items such as rent, taxes, insurance, and utility costs. The region Relocation Specialist must obtain copies of both leases, tax statements, insurance policies, and utility statements in order to calculate the level of reimbursement. Increased costs should be based on similar size locations.
 - a. **Mortgage to Lease** – If a displaced business elects to lease a replacement site instead of purchasing, the region Relocation Specialist must use the difference between the economic rent of the displacement site and the market lease rate of the replacement site. The region Relocation Specialist needs to refer to the appraisal to obtain economic or market rent of the displacement site.
 - b. **Lease to Mortgage** – If a displaced business elects to purchase a replacement site instead of leasing, the region Relocation Specialist must use the difference between the rent or economic rent at the displacement site and what the market lease rate would be at the replacement site. The region Relocation Specialist may need to work with the WSDOT appraisal section or an outside source to determine market rent of the replacement site. Outside sources include but are not limited to real estate agents, appraisers, property management companies, etc.
 - c. **Change of Business** – Change of business should not affect the calculation for increased costs since it is based on the real property and is limited to what is reasonable for that type of business.
7. Other items WSDOT considers essential to the reestablishment of the business.

49 CFR 24.304(b) WAC 468-100-306(2)

B. Ineligible Expenses

1. Purchase of capital assets such as office furniture, machinery, trade fixtures, real estate, or new construction.
2. Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of business.
3. Interior or exterior refurbishments at the replacement site for aesthetic purposes.
4. Interest on money borrowed to make the move or purchase the replacement property.
5. Payment to a part-time business in the home, which does not contribute materially to the household income.

12-8.2.3.1 Reestablishment Expenses for Non-occupant Owners

A non-occupant landlord, whose sole activity at the site is providing space to others, is eligible for a Reestablishment Expense Payment up to \$50,000. The owner does not have to own personal property that must be moved in connection with the displacement.

Typical examples of leased space are:

- Mobile home parks.
- Business properties (e.g., warehouses, office space) including bare land used for storing equipment.
- Farms and ranches (or any bare land used for agriculture or livestock grazing).
- Coin operated laundries or any other vending operation (newspapers).
- Residential units.

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- A. To be eligible for this payment, the displaced person must establish that the leasing of space is a bona-fide business activity, and not part of a real estate investment (displaced business owners that lease land and /or buildings to themselves for limiting tax or liability purposes are not likely a landlord displacement) or family situation (not an arm's length transaction such as, but not limited to, a son renting to his father below market rent), as supported by the displacee's income tax records.
- B. In a landlord situation, it will be necessary for the region Relocation Specialist to obtain a certified copy of the most recent year's tax return; the tax return needs to include the 1040 form and appropriate attached schedule(s).

Certification of the tax return needs to be completed by the individual who prepared the return (i.e., accountant, attorney, business owner). Once the tax return is reviewed by HQ it will be destroyed. The statement, if made by the business owner, can be as simple as the following: "I hereby certify that this tax return is a true and correct copy of my filed return."

49 CFR 24.1 RCW 8.26.105(1)

- C. To be eligible to receive a reestablishment payment and avoid duplicate or unreasonable reimbursement, the Non-occupant owner must:
 1. Acquire a replacement location within the 18-month time period.
 2. Lease and/or purchase the replacement property as evidenced by a copy of a new lease or purchase and sale agreement.
- D. The region Relocation Specialist should obtain a copy of the insurance policy and/or loan documents from the landlord business to verify the replacement site is being purchased for business purposes and will not be occupied by the owner.
- E. FHWA has determined that a lessee who subleases space is not eligible for a Reestablishment Payment as a landlord.

12-8.2.4 Related Nonresidential Eligible Expenses

49 CFR 24.303
RCW 8.26.035(1)
WAC 468-100-303

The following expenses, in addition to those move costs discussed in Section 12-8.2.1, are eligible for reimbursement provided they are actual, reasonable, and necessary:

- A. Connection to available nearby utilities will be reimbursed if expenses are considered to be reasonable and necessary and associated with running the utilities from the right of way adjacent to the replacement site to the improvements on the replacement site. This does not include the costs of installing/connecting a well or septic at the replacement site. This constitutes the purchase of a capital asset per [WAC 468-100-306\(2\)\(a\)](#) and are considered not eligible for reimbursement.

For example, if a displaced business has to run utilities across or past multiple parcels, it would not be considered reasonable and reimbursement would be limited to expenses associated with making the connection from the right of way adjacent to the replacement site only. In some cases, WSDOT may consider it reasonable to reimburse a displaced business for the expenses associated with bringing the utility from the central connection point to the right of way adjacent to the replacement property as a reestablishment expense under [WAC 468-100-306\(1\)\(g\)](#) which addresses other items WSDOT considers essential to the reestablishment of the business.

Appendix 12-12

- B. Professional services performed prior to the purchase or lease of a replacement site to determine its suitability for the displacee's business operation including but not limited to, soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site) will be reimbursed as set forth herein. The displaced business must hire a professional in order to be eligible for reimbursement. However, in some instances the displaced business can apply for a waiver and request that they be reimbursed for their own work.
 1. To apply for a waiver the displaced business must submit to WSDOT in writing a request to perform the professional services themselves. The request must include the following:
 - a. Business qualifications.
 - b. Reasons for wanting to complete the work instead of hiring an outside professional.
 - c. Hourly rate.
 - d. Scope of work – not to exceed the amount of the proposal submitted.
- C. Impact fees or one time assessments for anticipated heavy utility usage, as determined necessary by WSDOT, are reimbursable. The term "impact fees," as it appears in [WAC 468-100-303\(3\)](#), pertains strictly to heavy utility usage. The full sentence in that regulation reads: "Impact fees or one time assessments for anticipated heavy utility usage, as determined necessary by the agency." The meaning of that sentence is that the prepositional phrase "for anticipated heavy utility usage" applies to both "impact fees" and "one time assessments." As stated in this procedure, this payment is strictly for utilities, such as power and water. It does not include such things as access roads.

12-8.3 Fixed Payment for Nonresidential Moving Expenses

49 CFR 24.305
RCW 8.26.035(3)
WAC 468-100-304

A business, farm, or nonprofit organization may be eligible to choose a fixed payment in lieu of any payment(s) for actual costs for moving and reestablishment. This payment is sometimes referred to as an “In Lieu” payment. The payment is based on net earnings rather than actual moving costs. The minimum payment is \$1,000 and the maximum payment cannot exceed \$40,000 depending on the net earnings of the business, farm, or NPO.

12-8.3.1 Business Eligibility

49 CFR 24.305(a)
WAC 468-100-304(1)

- A. **The displaced business will be eligible for the fixed payment if WSDOT determines that:**
1. The business is not part of a commercial enterprise having more than three other establishments (not being acquired WSDOT) engaged in the same or similar business.
 2. The business is not operated at the displacement dwelling or site solely for the purpose of renting said dwelling or site to others.
 3. The business cannot be relocated without a substantial loss of its existing patronage.
 4. The business contributed materially, as defined in [WAC 468-100-002\(7\)](#), to the income of the displacee during the two taxable years prior to the displacement.
 5. The business owns or rents personal property which must be moved as a result of WSDOT’s acquisition and for which the displaced business would incur an expense.

49 CFR 24.305(b)
WAC 468-100-304(2)

- B. **Determining the Number of Businesses** – It is acceptable to apply the considerations discussed in this Section to determine the number of businesses to be displaced by a WSDOT project.

In determining whether two or more business activities constitute a single business (entitled to only one fixed payment) or two or more separate businesses (each entitled to fixed payment), all pertinent factors shall be considered, including the extent to which:

1. The same premises and equipment are shared.
2. Substantially identical or interrelated business functions are carried out, and business and financial affairs are commingled.
3. The entities are held to the public, and to those customarily dealing with them, as one business.
4. The same person or closely related persons own, control, and/or manage the affairs of the entities.

C. Loss of Existing Patronage

1. Determination as to loss of existing patronage is made only after consideration of all pertinent circumstances, including but not limited to the following factors:
 - a. The type of business conducted by the displaced person.
 - b. The nature of the clientele of the displaced person.
 - c. The relative importance of the present and proposed location to the displaced business and the availability of a suitable replacement location for the displaced person.
2. The term “loss of existing patronage” is construed to mean loss of support or loss of business from customers, patrons, clients, or paying guests. Whenever it is reasonably presumed that the net income of the business for the 12-month period after relocation will be less than the net income of the business before relocation, it can be construed that the business will suffer a “loss of existing patronage.”
3. A business is presumed to meet the requirement for establishing loss of existing patronage unless WSDOT determines otherwise.

49 CFR 24.305(e)
WAC 468-100-304(5)

D. Payment Determination – The term “average annual net earnings” means one-half of the 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 relocated.

1. If the two taxable years immediately preceding displacement are not representative of the businesses typical earnings, the region Relocation Specialist may use a period that would be more representative. Prior to using this alternative procedure, there must first be a determination that the proposed construction of the project or other non-typical factors not within the control of the displaced business were the cause of a decline in net income for the business. (The region Relocation Specialist should refer to the reference material titled “How to Analyze Income Tax Forms... In Lieu of Payments” from the IRWA’s 59th Annual International Education Conference in June 2013 to help analyze the returns; contact HQ Relocation for a copy.)
2. “Average annual net earnings” includes any compensation paid by the business to the owner, the owner’s spouse, or dependents.
3. In the case of a corporate owner of a business, earnings include any compensation paid to the spouse or dependents of the owner of a majority interest in the corporation and do not include compensation paid to said owner. For the purpose of determining majority ownership, stock held individually, jointly, or in common by a husband, his wife, and their dependent children is treated as being held in one and the same interest.

E. In Business Less Than Two Taxable Years – If a business has been in operation for less than two years prior to displacement, the average annual net income is determined by averaging the monthly net income and prorating this amount for 24 months.

- F. **Documentation from Displaced Business** – For the owner of a business to be entitled to this payment, the business must provide information to support its net earnings. The region Relocation Specialist assists the displaced business in completing the Application for Fixed Payment for Moving Expenses: Business-Farm-NPO. This form indicates the requirements for eligibility and the method of computation of the payment. It also requires that the displaced business attach copies of income tax returns and/or other evidence from which “average annual income” is determined in the application.
1. Certified copies of income tax returns for the last two tax years are needed. The region Relocation Specialist needs to obtain the following tax documents based on the filing status of the displaced business:
 - Sole Proprietorship
 - Form 1040
 - Schedule C
 - W-2 or payroll records of owner’s spouse or dependent child
 - Partnership
 - Form 1065
 - W-2 for spouse/dependent wages
 - Limited Liability Company (LLC)
 - Form 1065/1120/1120S
 - Schedule C
 - Corporation
 - Form 1120/1120A
 - List of shareholders (owners) and a list of their spouses/dependents along with W-2’s or payroll records
 - S Corporation
 - Form 1120S
 - W-2 for owners, spouses/dependents
 - List of owners and family members
 - Farms
 - Form 1040/1065/1120/1120S
 - Schedule F
 - Nonprofit Organization
 - Form 990
 2. Other forms of information commonly used for official business purposes may also be accepted such as financial statements certified by a qualified practicing professional (such as a CPA or an attorney).

3. WSDOT may accept an affidavit from the owner certifying the amount of net earnings and granting WSDOT the right to review the records and accounts of the business. The owner's statement alone is not sufficient if the amount claimed exceeds the minimum payment of \$1,000.
4. Strict confidence regarding tax returns is maintained and no other use is made of them. The financial records are destroyed once the review is completed and approved.

12-8.3.2 Farm Operation

49 CFR 24.305(c)
WAC 468-100-304(3)

In lieu of actual cost payments, any owner of a displaced farm operation may be eligible to receive a payment equal to the average annual net earnings of the farm operation. Such payment shall be not less than \$1,000 or more than \$40,000 and will be paid if the following requirements are met:

- A. The farm operator has discontinued the entire farm operation at the present location or has relocated the entire farm operation.
- B. In the case of a partial acquisition, the operator is considered displaced from a farm operation whenever any one of the following applies:
 1. The property remaining after the acquisition will not be an economic unit for the same farm operation, as determined by WSDOT during the appraisal process.
 2. The acquisition caused the operator to be displaced from the farm operation on the remaining land.
 3. The acquisition caused such a substantial change in the principal operation or the nature of the existing farm operation as to constitute a displacement.

The Fixed Payment for farms is determined in the same manner as for a business.

12-8.3.3 Nonprofit Organization

49 CFR 24.305(d)
WAC 468-100-304(4)

A displaced nonprofit organization (NPO) may choose a fixed payment in lieu of actual moving and reestablishment if the NPO cannot be relocated without a substantial loss of its existing patronage, membership, or clientele. The payment will not be less than \$1,000 nor more than \$40,000 depending on financial records.

- A. **Eligibility** – The region Relocation Specialist determines if the organization meets the definition of a NPO per Section 12-5.1 and is otherwise eligible.
- B. The amount of the payment is the average of two years annual gross revenues less administrative expenses. Gross revenues may include titles, membership fees, or other forms of fund collection. Administrative expenses include rent, utilities, salaries, as well as fund raising expenses.

12-8.3.4 Selection of the Fixed Payment Option by Displaced Business

If a business owner, after having the other moving expense options explained in detail by the region Relocation Specialist, indicates the desire to apply for the fixed payment early in the relocation process, it is not necessary to obtain moving bids or an agent estimate. (**Note:** the displaced business should have the full relocation picture in order to make an informed decision regarding the fixed payment option). The region Relocation Specialist should inform the displacee that if they have any concerns about whether the fixed payment option will be sufficient for their move, they may request WSDOT to obtain bids or estimates. The displacee may decline that offer and stay with the fixed payment.

12-8.4 Move Cost Estimates by Region Relocation Specialists

- A. A region Relocation Specialist may prepare a move cost estimate if the amount of the estimate does not exceed \$10,000. The amount of such estimate may be used as the basis for negotiating an agreement for self-moves and is particularly useful when dealing with moving the personal property of a small, uncomplicated business, a non-occupant dwelling owner (or landlord), or moving personal property from storage.
 1. The region Relocation Specialist works closely with the displacee to develop a written and photo inventory of the personal property item to be moved.
- B. **Computation** – The region Relocation Specialist computes the move cost estimate in accordance with the Washington State Utilities and Transportation Commission Tariffs Rate Schedule and/or the personal property only schedule as set forth in the PPO section of this chapter. If the combination of move methods is used and the amount exceeds the \$10,000 limit the region Relocation Specialist must obtain move cost estimates by a qualified mover.
 1. The computation and supporting documentation are sent to the HQ Relocation Reviewer for review and approval.

12-8.5 Claiming Nonresidential Entitlements

12-8.5.1 Timing Requirements

- A. Claims for moving payments should generally be made after the move of personal property has been completed. The region Relocation Specialist must monitor the move to assure that adequate progress is being made to complete the move. Once the move has been completed and verified by the region Relocation Specialist, the region Relocation Specialist assists the displacee with filing their claim(s).
- B. Claims for related moving expenses should be made once the paid receipt or invoice has been submitted for payment. The region Relocation Specialist should also supply HQ with a copy of the final product (i.e., newly printed business card, stationary, etc.).
- C. Claims for moving payments must be made within 18 months after the following dates:
 1. Date of vacation for a tenant occupant.
 2. Date of vacation or date of payment for the property, whichever is later, for an owner occupant.

49 CFR 24.207(d)
WAC 468-100-207(4)

12-8.5.2 Reestablishment Claims

In order to provide adequate advisory services, the region Relocation Specialist needs to work closely with the business owner to discuss potential claims and the business owner's plans to reestablish the site. Whenever possible, the region Relocation Specialist should view the replacement site prior to any reestablishment expenses being incurred. Photos of the site shall be taken before and after any modifications are made.

- A. See Section 12-8.2.3 prior to processing a reestablishment claim.
- B. Claims for reestablishment expenses can be made by the displaced business as the expenses are incurred or all at once upon completion of the replacement site.
- C. If the displaced business leases a replacement site, the region Relocation Specialist needs to obtain copies of both the existing lease at the displacement site and the signed lease at a replacement site; this information should be maintained in the official file; is necessary to determine if the claims submitted are reasonable and necessary; and to help avoid double payments for those items covered by the new lease.

12-8.5.2.1 Preapproval/Approval Process

When a business owner wants to make a reestablishment claim, the region Relocation Specialist shall take the following actions:

- View the replacement site with the displacee to discuss the details of a potential claim. Photos should be taken of the site to document the replacement site before the work is performed.
- Once scopes of work, bids, proposals, estimates, and/or invoices are received for the reestablishment claim, the region Relocation Specialist must write a recommendation for approval. The recommendation can be an email or internal WSDOT Memo. The region Relocation Specialist should organize the claim so that it can be easily reviewed and provide an outline of the recommendation for reimbursement. It may be necessary for the region Relocation Specialist to contact the displacee or service provider for clarification of the invoice, bid, or estimate. The recommendation is written to the HQ Reviewer and transmitted through the Region Relocation Supervisor. The recommendation should include the following information:
 - a. The date, who the recommendation is from, who it is to, project name, parcel number, displaced business name, and displacee number.
 - b. Brief description of the business being displaced.
 - c. Detailed description of the reestablishment claim (i.e., what is the claim? Why does the business need it? Did the business have it at the displacement location? Is it code required? If so, what is the code? If required by code, the region Relocation Specialist should provide a copy of the code requirement).

- d. The recommendation must cite which provision under [WAC 468-100-306](#) applies.
- e. The region Relocation Specialist needs to make a statement recommending approval or denial of a specific contractor for work to be performed and/or dollar figure based on the above information.
- f. Attached supporting documentation (photos, invoices, local code sheets, market studies, etc.).
- g. An updated diary must be submitted with all recommendations.
 - The HQ Reviewer may ask for additional information or clarification and either approve or deny your recommendation.

12-8.5.2.2 Actual Claim Submittal

1. Once the business has completed the reestablishment work for which it is submitting a claim, the region Relocation Specialist must visit the replacement site and take photos of the completed product. The business needs to supply proof of payment (invoices or receipts) that clearly identifies the work performed. WSDOT can pay on the business's behalf if the business owner agrees the work was performed in accordance with the scope and to its satisfaction. If the claim is more than the preapproved amount, then you cannot get the relocation assistance voucher signed by the displaced business owner until the amount of the claim is approved by the HQ Relocation Reviewer. In these situations, the region Relocation Specialist should:
 - Send an email or memo to the HQ Reviewer explaining why the actual amount is more than the preapproved amount; be sure to reference the preapproval. Include a copy of the actual paid invoice/receipt. Once you receive approval from the HQ Reviewer you may move on to the next step.
2. If the claim has been preapproved or approved as described above, the region Relocation Specialist can create a voucher for the amount of the claim (based on proof of payment or work performed in accordance with the scope and accepted by the business owner). If the claim has not been preapproved, the region Relocation Specialist still needs to create a recommendation as described above. Once HQ approval is received, the business owner, region Relocation Specialist, and Region Relocation Supervisor need to sign the voucher.
3. At the same time they are signing the voucher for the work performed, the business owner needs to sign the Application for Reestablishment Expenses-Non-Residential (RES-523).

12-8.5.3 Professional Services Claims

- A. Not every displaced business is considered a complex move and professional services may not be considered reasonable and/or necessary. Claims for professional services must be considered "reasonable and necessary" and should be preapproved by the HQ Relocation Reviewer in order to claim reimbursement. If the displaced business desires to perform its own professional services it needs to apply for a waiver as

set forth in Section 12-7.2.1.A.8 and Section 12-8.2.4.B. The region Relocation Specialist should ask the displaced business to provide a minimum of two “Scope of Work” estimates from specialists prior to hiring the specialist to provide professional services including acting as a move planner as discussed in the advisory services section of this chapter. The reimbursement to the displaced business may not exceed the lowest acceptable “Scope of Work” submitted by the specialist. The Scope of Work will help WSDOT determine those costs that will be considered reimbursable to the displaced business. Reimbursement of certain claims will depend on the complexities and/or nature of the business and will be reimbursed based on product and level of effort as determined by WSDOT. Only work performed in relation to relocating the personal property will be eligible for reimbursement. The following is a list of those items that may be considered eligible:

1. Preparation of floor plan layout/configuration and flow of business operation as it relates to the personal property at the displacement site.
2. Planning of which personal property items will be moved, replaced, abandoned, discarded, or not moved.
3. Depending on the complexity of the move—the preparation or analysis of process systems that relate to the personal property (e.g. a dust collection system for a woodworking company).
4. Researching code requirements for installation of personal property currently “grand-fathered: at the displacement site that may require code modifications at the replacement site.
5. Providing of professional services prior to the purchase or lease of a replacement site to determine its suitability for the displacee’s business operation, including but is not limited to, soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of the site).

This portion of professional services is reimbursed as a related nonresidential eligible expense.

49 CFR 24.303(b)
WAC 468-100-303(2)

B. WSDOT will be responsible to do the following:

1. Prepare a written/photo inventory with the help of the business owner, if needed.
2. Work with the business owner to create request for Proposal/Moving Specifications to secure move bids to move all personal property to the replacement site.
3. Secure move bids, including 3rd party bids.
4. May assist with coordination of movers.
5. Monitor all aspects of the move.
6. Conduct post move inventory.
7. Prior to the actual date of the move, obtain inventory from the business owner of all items considered obsolete which are to be reprinted.

8. Review all claims.
9. Process all claims for payment.
- C. Displaced Business Owner will be responsible to perform the following (items 8 thru 11 may be performed by the displaced business, WSDOT or a combination of both but can also be reimbursed if the displaced business hires a professional services specialist):
 1. Work with the region Relocation Specialist to prepare necessary inventory, identify all vendor owned equipment, and identify those items that will not be moved and/or replaced.
 2. Notify the region Relocation Specialist when the replacement site has been located.
 3. Notify the region Relocation Specialist of an anticipated move date.
 4. Prepare a sample file of all documents that must be reprinted due to change of address and/or phone number. The region Relocation Specialist should provide displaced business with an appropriate inventory form (RES-545).
 5. For the purpose of obtaining Replacement Value Insurance (RVI) - provide valuation of personal property to the region Relocation Specialist.
 6. Business owner will obtain preapprovals from WSDOT Specialist before committing to financial obligations for the purpose of determining eligibility for reimbursement of claims
 7. Keep the region Relocation Specialist informed as it relates to the business's relocation.
 8. Prepare floor plan layout/configuration and flow of business operation as it relates to the personal property at the displacement site.
 9. Plan which personal property items will be moved, replaced, abandoned, discarded, or not moved.
 10. Depending on the complexity of the move prepare or analyze process systems that relate to the personal property(.i.e. a process system could be a dust collection system for a woodworking company).
 11. Verify code requirements for installation of personal property currently "grand-fathered" at the displacement site that may require code modifications at the replacement site.
- D. Claims for professional services can be made by the displaced business as the expenses are incurred or all at once upon completion of the work.
- E. Claims must be supported by adequate documentation and should clearly identify work performed. Each claim should be supported by a visible product, which will help to determine the level of effort.
 1. The region Relocation Specialist should organize the claim so that it can be easily reviewed and should provide an outline of the recommendation for reimbursement.

2. Once the claim is prepared, the package should be sent to the HQ Relocation Reviewer for review and approval.
- F. The use of a hired professional services specialist is strictly between the displaced business and the specialist hired. WSDOT will reimburse eligible expenses, based on adequate documentation, but WSDOT has no responsibility/liability for what the professional services specialist does or how it is done. In rare cases, a displaced business may apply for a waiver and ask that their business be reimbursed for performing the professional task as set forth in Section 12-7.2.1.A.8 – Actual Move Costs and Section 12-7.2.4.B – Related Nonresidential Eligible Expenses.

12-8.5.4 Nonresidential Payment Claims

As a general rule, moving cost payments, reestablishment payments, or fixed payments are not made prior to the completion of the move and/or the expense being incurred. However, exceptions arise where due to extenuating circumstances, the case merits special consideration. When these cases arise, the HQ Relocation Reviewer may authorize advance payment of relocation claims.

49 CFR 24.207(c)
RCW 8.26.085(1)(b)
WAC 468-100-207(3)

- A. **Advance Moving Payments** – It is often necessary for a business to request advance payments during their move. The HQ Relocation Reviewer may approve advance payments based on the amount of the move that has been completed. The region Relocation Specialist should monitor the move and determine the percent of the move that has been completed. The displaced business requesting the advanced payment should do so in writing. The business must demonstrate the need for the advanced payment is to avoid or reduce a hardship. The region Relocation Specialist shall create a Move Expense Agreement (MEA) detailing the purpose and scope of the move. The MEA is used as a safeguard to ensure the objective of the payment is accomplished. Care must be exercised so advance payments do not create a shortage of remaining entitlements that would cause the move not to be completed. Advance move payments should not exceed 25 percent of total move costs.
- B. **Reimbursement of Nonresidential Moving Payments** – Moving payments for nonresidential claims can be made directly to the displaced business, directly to a commercial mover or third party on behalf the displaced business owner, or a combination of both.
 1. When the displaced business has selected a self-move or a fixed payment, the payment should be paid directly to the displaced business. The region Relocation Specialist should prepare the claims (vouchers) in accordance with procedures set forth in [Chapter 10](#), obtain the appropriate signatures, and submit the claim for processing and payment and follow the region's payment processes.
 2. Should the displaced business hire a commercial mover or third party service provider and ask that any payment be made directly to a third party for services rendered during the move, the region Relocation Specialist should have the displaced business sign a claim (voucher) directing that payment be made to a third party. This can be as simple as the business owner writing, "Okay to pay" and signing the invoice. In no event shall any such direct payment to a third party obligate WSDOT to pay more than the agreed upon move amount as shown

in the executed Moving Expense Agreement. The region Relocation Specialist should also obtain a SWV form from the 3rd party in accordance with procedures set forth in [Chapter 10](#). The region Relocation Specialist should clearly document the request to make a 3rd party payment on the displaced business' behalf in the diary.

12-8.5.4.1 Processing and Payment of Claims

- A. When the displacee is ready to make claims for any or all of the displacee's entitlements, the region Relocation Specialist provides the HQ Relocation Reviewer with the appropriate recommendation for approval along with the necessary backup documentation. The region Relocation Specialist must also supply the displacee with appropriate forms for making the claim and secure the necessary documentation from the displacee, which includes a SWV form.
- B. Once these forms are signed by the displacee and the SWV number obtained by the region Relocation Specialist, the claim voucher and associated documentation are processed in the region for payment.
- C. The region should monitor partial and advanced payments to assure that the displacee does not receive payments in excess of the displacee's maximum entitlements.
- D. **Coding** – Relocation Assistance Vouchers are coded based on the type of relocation payment. The region Relocation Specialist must select the appropriate coding from the object codes and definition chart. See [Appendix 12-3](#) for a full list.

Abandonment of Personal Property

49 CFR 24.301(j)
WAC 468-100-301(10)

The region Relocation Specialist should work closely with the displacee to remove all personal property items from the displacement site. Disposal costs are not paid in addition to the move costs. The region Relocation Specialist should not encourage items to be left on the property. In some cases personal property is left at the displacement property due to WSDOT's waiving the need for the displacee to make a reasonable attempt to sell the personal property under a SPP or DLT or in rare instances just abandoned. The region Relocation Specialist must obtain the region RESM approval prior to obtaining a signed abandonment letter from the displacee stating the displacee is abandoning the personal property and cannot claim additional relocation payments for the abandoned property. The approval should be documented in the region Relocation Specialist's diary. The abandoned personal property becomes the property of WSDOT through the transfer of ownership provision discussed in [WAC 468-100-301\(10\)](#) or through a Bill of Sale to WSDOT. In either case, the personal property is managed by the Property Management section. Once the region RESM approval is obtained, the moving expense attributable to the abandoned property must be deducted from the displacees' final move payment. The region Relocation Specialist shall check with Property Management to get the items removed from the property per the procedures set forth in [Chapter 11](#). If the property is clear at the vacate inspection, there is no need for the region Relocation Specialist to obtain a signature from the displacee on the abandonment notice.

12-9 Mobile Homes

[49 CFR 24.501](#)
[WAC 468-100-501](#)

Mobile homes, as defined in [Title 49](#) of the Code of Federal Regulations (49 CFR), may be determined to be either real property or personal property during the appraisal process. A mobile home includes manufactured homes and recreational vehicles (RV) used as permanent residences. As detailed in [Chapter 4](#), WSDOT may acquire mobile homes as real or personal property. The acquisition of the mobile home is outlined in [Chapter 6](#). A Mobile Home Work Sheet ([RES-220](#)) is available to assist the RESM with determining whether or not to acquire a mobile home. A mobile home determined to be personal property cannot be acquired under eminent domain or the imminent threat of WSDOT's exercise of its rights of eminent domain.

12-9.1 Eligibility

[49 CFR 24.502\(a\)](#)
[49 CFR 24.503](#)
[WAC 468-100-502\(1\)](#)
[WAC 468-100-503](#)

- A. Owners and/or occupants of mobile homes, as defined in [WAC 468-100-002](#), that are displaced by a public project may be eligible for different types of relocation replacement housing payments depending on different situations in relation to ownership and occupancy.
- B. The different combinations of ownership and occupancy are as follows:
 - 1. A displacee owns both the mobile home and the site on which the mobile home is located.
 - 2. A displacee owns the mobile home but rents the site on which the mobile home is located.
 - 3. A displacee rents the mobile home. The lot rent may or may not be included in the rent of the mobile home. This situation is handled as a typical residential relocation of a 90-day tenant.
 - 4. A displacee rents the mobile home and owns the site on which the mobile home is located.
- C. All legal occupants of mobile homes being displaced are eligible for the costs to move their personal property located inside the mobile home and outside on the site of the mobile home and for advisory services.

12-9.2 Mobile Home Relocation Situations

The entitlement relating to mobile homes considered personal property is the payment of the cost to move such personal property when it is economically feasible. However, this can vary when dealing with mobile homes depending on the following situations:

- A. A mobile home is considered personal property and can be moved to a replacement location:
 - 1. The mobile home will not be acquired by WSDOT.
 - 2. A RHP (price differential payment) for the mobile home will not be calculated for an owner-occupant. However, a RHP (rent supplement or price differential payment) for the site will be computed.

3. The owner of the mobile home may be reimbursed for the actual and reasonable costs, which include cost of moving the mobile home from the displacement site to an acceptable replacement location, cost for making that mobile home meet DSS standards, and per diem costs while the mobile home is being moved and reconnected. Reasonable per diem rates should be established prior to the move as follows:

49 CFR 24.301(g)(9)
WAC 468-100-301(7)(i)

- a. The region Relocation Specialist secures three estimates, if possible, to move the mobile home from the displacement site to the replacement site. The estimates should include all disconnect, tear down, transportation, set up, and reconnect costs associated with the move of the mobile home as well as any costs to bring the mobile home up to code and/or to meet DSS standards.
- b. The estimate should also include the cost of disassembling, moving, and reassembling any attached appurtenances, such as porches, decks, skirting, and awnings; anchoring of the home; and utility hookup charges. If any of the attached appurtenances need to be replaced, WSDOT should pay for these costs as well.
- c. The lowest acceptable estimate will be selected as the mover if the displacee wants to have the mobile home moved. If the displacee wants to move the mobile home themselves, the displacee should be offered a self-move in an amount not to exceed the amount of the lowest acceptable estimate.
- d. Any utility connections that are not included in the move estimates will be paid as incidental move expenses.
- e. Mobile Home Park Entrance Fees. If a displaced mobile home owner is required to pay a nonrefundable entrance fee to move their mobile home into a mobile home park, that fee will be paid as an incidental moving cost.
- f. Relocation will need to address personal property taxes on all mobile homes being moved by WSDOT that are considered personal property. Delinquent personal property taxes should be handled as a Last Resort incidental relocation expense only if the displacee does not have the financial means to bring the taxes current.

49 CFR 24.301(g)(8)
WAC 468-100-301(7)(h)

49 CFR 24.301(g)(10)
WAC 468-100-301(7)(j)

- B. Mobile home is considered personal property and cannot be moved to a replacement location or move is considered not cost effective:
 1. The RESM can authorize the purchase of the mobile home. Upon authorization WSDOT will acquire the mobile home through the acquisition process according to procedures set forth in [Chapter 6](#). (**Note:** Any personal property taxes will be handled by Acquisition and the mobile home will not be salvaged back to the owner.)
 2. The region Relocation Specialist will calculate a RHP depending on occupancy status (owner/tenant) of the unit. This could include both a price differential payment and a rent supplement payment.

- C. Mobile home considered real estate:
 - 1. The mobile home will be acquired through the acquisition process as real estate according to the procedures set forth in [Chapter 6](#).
 - 2. No payment will be made to the mobile home owner for moving it to a replacement site.
 - 3. If the owner retains salvage of the mobile home no moving entitlement will be paid to disconnect, move, and reconnect the mobile home. Salvage of the mobile home needs to be consistent with procedures set forth in Chapters [6](#) and [11](#).
 - 4. The region Relocation Specialist will calculate a RHP depending on occupancy status (owner/tenant) of the unit.

12-9.3 Replacement Housing Payments for Mobile Home Owners

12-9.3.1 Circumstances Requiring Replacement Housing for Mobile Home Owners

[49 CFR 24.502\(a\)\(3\)](#)
[WAC 468-100-502\(1\)\(c\)](#)

The following list of circumstances will be addressed during the appraisal process in accordance with the procedures outlined in Chapters [4](#) and [6](#).

- A. If the mobile home being displaced will not meet entrance requirements for mobile home parks in the area, a replacement mobile home will have to be made available that will meet park requirements.
- B. If the mobile home is determined to be incapable of being moved without complete or substantially irreparable damage, a replacement mobile home will have to be made available to the displacee.
- C. If a mobile home cannot be relocated because there is no available comparable replacement site, a replacement mobile home will have to be made available to the displacee.
- D. If the RESM authorizes the purchase of the mobile home because it has been determined the mobile home is not, and cannot be made DSS and/or determined not to be cost effective to move the mobile home, a replacement mobile home will have to be made available to the displacee.

12-9.3.2 Eligibility Requirements

[49 CFR 24.502\(a\)](#)
[49 CFR 24.503](#)
[WAC 468-100-502\(1\)](#)
[WAC 468-100-503](#)

Ownership and occupancy requirements for receiving any replacement housing entitlement as a mobile home owner/tenant are the same as for a regular residential housing situation. The requirements for an owner/tenant occupant in a typical, constructed residential dwelling are to be applied to the occupant of a mobile home in all respects. See Section 12-7.1 for these requirements.

12-9.3.3 Replacement Housing Payments for Mobile Home's Acquired by WSDOT

WAC 468-100-504(1)

All calculations of RHPs for mobile homes are to be prepared in the same manner as for residential displacements described in [Section 12-7](#). The types of RHPs for the different combinations of ownership and occupancy of mobile homes being acquired by WSDOT as either real property or personal property as determined by the RESM and as established in [Chapter 4](#) are as follows:

A. Mobile Home Relocation Situations

WAC 468-100-502(2)
WAC 468-100-502(4)

1. If the displacee owns both the mobile home and the site, the region Relocation Specialist should calculate the following:
 - a. Separate price differentials for the mobile home and the site; or
 - b. A single price differential using both the mobile home and site.

WAC 468-100-502(2-4)
WAC 468-100-503

2. If the displacee owns the mobile home, but rents the site, the region Relocation Specialist should calculate the following:
 - a. A price differential for the mobile home and a rent supplement for the site. The rent supplement for the site can include the cost of utilities as needed.
 - (1) For a 90-day owner occupant of a rented mobile home site their rental assistance payment may be used to rent a replacement site; may be applied to the purchase price of a replacement site; or may be applied, with any RHP attributable to the mobile home, to the purchase of a replacement mobile home, or a conventional DSS dwelling.

WAC 468-100-503

3. If the displacee rents the mobile home and the site, the region Relocation Specialist should calculate the following:
 - a. Separate rent supplements for the mobile home and the site; or
 - b. A single rent supplement if the lot rent is included in the mobile home rent.

A displaced tenant eligible for a rent supplement payment who elects to purchase a replacement dwelling (down payment assistance) is eligible to receive an amount, not to exceed the amount of the calculated maximum rent supplement or \$7,200 whichever is greater, to enable the displaced tenant to make a down payment toward the purchase of a replacement dwelling. Both rent supplements can be combined toward the purchase of the replacement dwelling.

WAC 468-100-502(2)
WAC 468-100-502(4)
WAC 468-100-503

4. If the displacee rents the mobile home and owns the site on which the mobile home is located, the region Relocation Specialist should calculate the following:
 - a. A rent supplement for the mobile home and a price differential for the site.

- B. **Taxes** – The transfer of a mobile home is subject to either real estate excise tax or sales tax depending on the characteristics of the situation, regardless of whether the mobile home is classified as real or personal property. If the actual replacement is a mobile home WSDOT will pay sales tax as an incidental expense if:

- The purchase of the mobile home is the initial retail sale of the mobile home.
- The mobile home is purchased from a dealer's lot, regardless of the mobile home being new or used.
- The removal of the mobile home from the land is a condition of the sale.
- The mobile home is not affixed to the land by a foundation and does not have connection for utilities.

The buyer pays sales tax when they transfer title. The tax is based on the purchase price and the county taxes where the mobile home is located. The reimbursement is based on the amount necessary to purchase the most comparable replacement dwelling selected by WSDOT and used to establish the RHP. Sales tax rates can be obtained by visiting the Washington State Department of Revenue website at <http://dor.wa.gov/content/findtaxesandrates/salesandusetaxrates/lookupataxrate>.

- C. **Transfer Fees** – There are transfer fees associated with transferring the title of a mobile home into the purchaser's name. Transfer fees should be handled as an incidental expense and paid based on the actual cost. The reimbursement is limited to the amount necessary to purchase the most comparable replacement dwelling selected by WSDOT and used to establish the RHP. This information can be located on the Department of Licensing website at: www.dol.wa.gov/vehicleregistration/fees.html.

12-9.4 Other Considerations

49 CFR 24.501(b)
WAC 468-100-501(2)

- A. **Partial Acquisition of Mobile Home Park** – If WSDOT determines that its land acquisition will result in mobile home dwellings not within the actual acquisition area being forced to move, those mobile home owners and/or occupants may be eligible to receive the same payments as though their dwellings were within the actual taking. Prior to any contact with such owners and occupants relative to relocation entitlements, the region conducts an investigation and submits a report to the Acquisition Program Manager for authorization to provide relocation entitlements. Such report includes the basis for such determination about being displaced, the number of mobile homes being forced to move, and any other relevant facts or information.

49 CFR 24.502(b)(3)
WAC 468-100-502(2)(c)
WAC 468-100-504(2)(a)

- B. **Computation on Next Highest Type Dwelling** – When a comparable mobile home is not available, the RHP is calculated using the next highest type of dwelling that is available and meets applicable requirements and standards (i.e., a higher type mobile home or a conventional dwelling).
- C. **Trading in a Mobile Home** – If a mobile home is considered personal property and the region RESM makes a decision to administratively purchase the mobile home and the owner decides to use the mobile home as a trade-in on the purchase of a replacement home instead of selling (or transferring title in the case of a zero value), the price differential payment will not be adjusted to make up the difference if the owner takes a loss on the mobile home.

- D. **Mobile Home Determined to have Zero Value** – It is acceptable to make an administrative offer to purchase a mobile home even if the value of the mobile home is determined to be zero. The region Acquisition Specialist should follow the procedures set forth in [Chapter 6](#). It is highly recommended that the region Relocation Specialist accompany the region Acquisition Specialist when delivering the letter so the mobile home owner is aware of the relocation assistance available to help them obtain replacement housing.
- E. **Two-Part Insurance for Mobile Homes That Will Be Moved to a Replacement Location** – Mobile home insurance supplied by a mobile home moving company consists of liability insurance and cargo insurance (“moving insurance”). Liability insurance covers damage to the mobile home prior to or after the move, during tear down and set up, and cargo insurance covers damage to the mobile home during transit. In addition to the moving insurance, as part of Advisory Services, it is recommended that the displacee has homeowners insurance prior to the relocation as the insurance provided by the mover does not cover vandalism during the move of the mobile home.
- F. **RVs Used as a Permanent Residence** – The region Relocation Specialist should compute the cost to move the RV in the same manner as a mobile home using RES-546. Move costs for personal property should be done utilizing the room count method, a commercial move, or actual costs as described in [Section 12-7.5](#).
- G. **RVs Used as a Non-Permanent Residence** – The region Relocation Specialist should compute the cost to move the RV as described in the personal property [Section 12-10.3](#).

12-10 Personal Property Only (PPO) Relocation

12-10.1 Definition

49 CFR 24.301(e)
RCW 8.26.035(1)(a)
WAC 468-100-301(5)

A Personal Property Only (PPO) relocation is defined as a move of personal property from property acquired for right of way or project purposes where there is NOT a need for a full relocation of a residence, business operation, farm operation, or NPO from the acquired property. Small business, farm, and NPO operations that must incur reestablishment expenses to facilitate the continuous operation of their business on the subject property should be relocated under the provisions of Section 12-8.

12-10.2 Types of Personal Property Only Relocations

- A. Personal Property is stored on property where there is no residence or business on such property.
- B. Personal Property is located on a portion of property that is being acquired but where the residence located on the property will not be affected.
- C. Personal Property is located on a portion of property that is being acquired but where the business located on the property can still operate after the acquisition of the needed property and where the business will not incur reestablishment expenses.

- D. Personal Property is located in a unit (or units) in a storage facility that will be acquired in whole or in part.
- E. Minimal personal property is located in a rented mailbox in a commercial mailbox business that is being acquired in whole or in part.
- F. Vehicles, trucks, recreational vehicles, boats, and other miscellaneous trailers, either operational or not, that are located on property that will be acquired.

12-10.3 Personal Property Only Relocation Entitlements

49 CFR 24.301(e)
RCW 8.26.035(1)(a)
WAC 468-100-301(5)

- A. The basic entitlement for the relocation of PPO shall be a payment for the expense of moving said personal property to a replacement location of the owner's choosing. The payment shall be limited to expenses for moving within a 50-mile radius of the displacement location.
- B. The owner of personal property that must be moved has the option of selecting a Commercial Move, a Self-move, or an Actual Cost Move:
 - 1. **Commercial Move** – The displacee can hire a commercial mover and pay that mover directly. The displacee should select this option on the Moving Expense Agreement and work with the region Relocation Specialist to prepare a written and photo inventory of the items to be moved.
 - a. Based on the inventory, moving specification, and any other information, WSDOT will typically obtain at least two bids from qualified movers and select the successful bidder. If the scope of work is small and uncomplicated, a single bid or estimate may be used. If a mover submits a bid, the mover will be compensated for the reasonable costs of preparing said bid. The Moving Expense Agreement, inventory, Moving Specifications, and region Relocation Specialist's recommendation are then submitted to the HQ Relocation Reviewer for review and approval.
 - 2. **Self-Move** – A self-move by the displacee can be based on bids from qualified movers, an estimate by the region Relocation Specialist, or the following move cost schedules provided in this Section.
 - a. The displacee may elect to take full responsibility for the move of their personal property. In this event, the displacee, working with the region Relocation Specialist prepares a written and photo inventory of the items to be moved. The region Relocation Specialist then prepares a Request for Proposal and Moving Specification, obtains two bids from qualified movers, and offers the displacee an amount not to exceed the acceptable low bid. The region Relocation Specialist may offer a move cost lower than the lowest acceptable bid, taking into account the profit and overhead costs which the commercial mover includes in its bids. The region Relocation Specialist then submits the bids with all supporting documentation and their recommendation to the HQ Relocation Reviewer for review and approval.

- b. If the move costs appear to be \$10,000 or less, WSDOT may offer an amount based on a single estimate prepared by the region Relocation Specialist in accordance with Section 12-8.4. The region Relocation Specialist submits the move cost estimate with all supporting documentation to the HQ Relocation Reviewer for review and approval.
- c. The move of personal property from a commercial storage facility shall be based on the following schedule:

Size of Storage Unit	Move Cost
5' by 5' (25 sq. ft.)	\$300
5' by 10' (50 sq. ft.)	\$600
5' by 15' (75 sq. ft.)	\$900
10' by 10' (100 sq. ft.)	\$1,200
10' by 15' (150 sq. ft.)	\$1,800
10' by 20' (200 sq. ft.)	\$2,400
10' by 25' (250 sq. ft.)	\$3,000
10' by 30' (300 sq. ft.)	\$3,600
10' by 40' (400 sq. ft.)	\$4,800
15' by 30' (450 sq. ft.)	\$5,400
20' by 40' (800 sq. ft.)	\$9,600

The move cost is based on the size of the storage unit. The move cost should be documented by the region Relocation Specialist in their diary and approved by the Region Relocation Supervisor.

- d. A dislocation allowance in the amount of \$50 shall be paid to each person or business that rents a mailbox in a commercial mailbox operation. The move cost should be documented by the region Relocation Specialist in their diary and approved by the Region Relocation Supervisor.
- e. Move costs for vehicles, trailers not connected to utilities, etc., shall be based on the following schedule:
 - (1) Operational vehicles and motor homes. \$50 each
 - (2) Boats w/trailers, utility trailers, car trailers, travel trailers, and fifth-wheel trailers. \$200 each
 - (3) Non-operating vehicles and motor homes that require towing. \$200 each

The move cost is computed based on the type of vehicle. The move cost should be documented by the region Relocation Specialist in their diary and approved by the Region Relocation Supervisor. If recreational vehicles are connected to utilities, the region Relocation Specialist can prepare an agent estimate as described in Section 12-8.4, obtain an estimate from a professional, or use actual costs.

- f. Move costs for appliances shall be based on a fixed rate of \$100 per appliance, which includes the cost to disconnect and reconnect. The move cost should be documented by the region Relocation Specialist in their diary and approved by the Region Relocation Supervisor.

In all cases, the displacee must enter into Moving Expense Agreement prior to moving their personal property. It is the responsibility of the region Relocation Specialist to monitor the move.

- 3. **Actual Cost Move** – Actual and reasonable costs to move the personal property is based on acceptable documentation of said actual costs. Prior to the start of the move, a written and photo inventory of the personal property items to be moved must be completed. Acceptable documentation includes receipts for payments, paid invoices, copies of payment documents, time sheets of people hired to perform the move, etc. If a question arises about the “reasonableness” of submitted costs, WSDOT may obtain one or more bids or estimates from qualified movers to use as a standard to determine if costs are reasonable.
 - a. The region Relocation Specialist should prepare the claim and send it to the HQ Relocation Reviewer with region recommendation for review and approval.
 - b. **Move Monitoring** – The region Relocation Specialist shall follow the procedures outlined in Section 12-8.2.1.
 - c. **Post Move Inventory** – The region Relocation Specialist shall follow the procedures outlined in Section 12-8.2.1.

12-10.4 Payment of Personal Property Only Entitlements

- A. Payment for commercial move expenses may, by agreement with the displacee, be paid directly to the mover upon receipt of an invoice and upon verification by the region Relocation Specialist that all personal property has been moved to the appropriate replacement location.
- B. Payment for self-move and actual move costs will be paid to the displacee upon receipt of documentation from the displacee that sufficient costs were expended to perform the move and upon verification by the region Relocation Specialist that all personal property has been moved to the appropriate replacement location. Acceptable documentation may include invoices, paid receipts, time sheets, labor statements, and other appropriate information to support that actual costs were incurred for the move or move monitoring in accordance with Section 12-8.2.1.
- C. Payment for scheduled move costs will be paid upon verification by the region Relocation Specialist that all personal property has been moved from the acquired property to an appropriate replacement location.
- D. In all cases, the region Relocation Specialist needs to obtain a SWV form from the payee in accordance with procedures set forth in [Chapter 10](#).
- E. **Coding** – All payments for a PPO move shall be coded, JN 81.

12-11 Voluntary Transactions

12-11.1 Requirements

49 CFR 24.101(b)(1)
WAC 468-100-101(2)(a)

In order to be considered voluntary, the transaction must meet all of the conditions outlined in both state and federal regulations. Those regulations can be found in [WAC 468-100-101](#) and in 49 CFR 24.101.

12-11.2 Relocation Eligibility

Refer to [WAC 468-100-002\(15\)](#) for information relating to mutual acceptance of the offer to purchase prior to a tenant becoming eligible to receive relocation assistance.

12-12 Temporary Relocations

49 CFR 24.2(a)(9)(ii)(D)
WAC 468-100-004(2)
Appendix A
Sec 24.2(a)(9)(iii)(D)

There are circumstances where the acquisition of real property takes place without the intent or the necessity that an occupant of the property be permanently displaced. Because such occupants are not considered “displaced persons” great care must be exercised to ensure that they are treated fairly and equitably.

For example, if the tenant-occupant of a dwelling will not be displaced but is required to relocate temporarily in connection with the project, the temporarily occupied housing must be DSS, and the tenant must be reimbursed for all reasonable out-of-pocket expenses including moving expenses and increased housing costs incurred in connection with the temporary relocation.

A temporary move is considered to be less than 12 months; anything beyond 12 months is considered a permanent displacement and the displacee would be moved and relocation entitlements would be paid based on their occupancy status.

If a temporary move is authorized by the Acquisition Program Manager for a residential or nonresidential displacement and later withdrawn, all actual, reasonable, and necessary out-of-pocket expenses incurred in connection with the temporary relocation will be reimbursed to the displacee as related moving costs.

If the cost of a temporary move will exceed the cost of a permanent move, approval of the Acquisition Program Manager is required prior to approving the temporary move. One consideration that might cause the costs of a temporary move to exceed those of a permanent move is the length of the temporary occupancy. Normally, as noted earlier in this Section, a relocation that extends beyond 12 months would be considered a permanent displacement. However, a shorter term (e.g., 6 months) could result in costs exceeding a permanent move. Prior to requesting approval of a temporary move, the HQ Relocation Reviewer should be consulted. Those short-term moves (such as one month) that will not likely exceed the costs of a permanent move can be undertaken without HQ approval.

12-13 Temporary Construction Easements (TCE)

If there are displacees or personal property to be moved within a temporary construction easement area, the displacee must be provided with relocation assistance including proper notices. This is also true in situations where the project office handles the relocation of the property (cured in contract) out of the TCE area and then back once the project is complete.

12-14 Relocation Inventory

Payments for relocation activities are identified in TRAINS and IRIS by the JN object code. WSDOT will distinguish relocation dollars (JN activity) paid to displacees as part of the overall land rights being acquired and the dollar amounts will be added to the Property Management side of IRIS

12-15 Appendices

Appendix 12-1	Scenario Examples
Appendix 12-2	Appeal/Reconsideration Language
Appendix 12-3	Object Codes and Definitions
Appendix 12-4	Recommendation Memorandum
Appendix 12-5	Perishable Inventory
Appendix 12-6	Fluctuating Inventory
Appendix 12-7	FHWA Annual Statistical Report
Appendix 12-8	Costs Reestablishment Expenses
Appendix 12-9	Major Exterior Attribute
Appendix 12-10	Larger Than Typical Lot and Mixed Use Property
Appendix 12-11	Determining the Number of Businesses
Appendix 12-12	Professional Services Performed by Displaced Business
Appendix 12-13	Reestablishment and Duplication of Payment
Appendix 12-14	Displaced Business Leasing to Themselves
Appendix 12-15	Duplication of Payment

Appendix 12-1 Scenario Examples

Scenario #1 – Business owner is the property owner and improvements are considered real property.

Under this scenario, the improvements contributed to the overall value of the building, so the property owner was compensated for those items as part of the acquisition. Because of this, the business owner would be ineligible for reestablishment expenses to make similar modifications at the replacement site (such as cabinets, sink) because it would be considered a duplication of payment.

Scenario #2 – Business owner is a tenant and improvements are considered real property and the existing lease specifies they are tenant owned improvements

Under this scenario, the improvements contributed to the overall value of the building, so the tenant should have been compensated for the tenant-owned improvements as part of the acquisition. Because of this, the business owner would be ineligible for reestablishment expenses to make similar modifications at the replacement site, i.e., install kitchen fixtures such as cabinets, sink) because it would be considered a duplication of payment.

Scenario #3 – Business owner is a tenant and improvements are considered real property and the existing lease specifies they become the landlord's property.

Under this scenario, the improvements contributed to the overall value of the building but they became the property of the building owner (landlord). The building owner was compensated for the improvements installed by the tenant as part of the acquisition. The tenant business owner did not receive compensation from the acquiring agency. Because of this, the tenant business owner could be eligible for the reimbursement of items considered to be modifications (such as cabinets, sink) that were not characterized as improvements for which the building owner (landlord) was compensated. As defined in definition Scenario #1, improvements are not considered eligible for reimbursement.

Scenario #4 – Business owner is a tenant and improvements are considered trade fixtures and the existing lease specifies they remain the property of the tenant business owner and the acquiring agency does not purchase the improvements.

Under this scenario, the improvements are considered trade fixtures and the tenant's personal property and thus not eligible for reimbursement under reestablishment expenses. However, the tenant business owner will be provided with relocation assistance to move the trade fixtures to the replacement location.

Scenario #5 – Business owner is a tenant and improvements are considered trade fixtures and the existing lease specifies they remain the property of the tenant business owner and the acquiring agency appraises and purchases the improvements from the tenant.

Under this scenario, the improvements are considered trade fixtures and purchased by the acquiring agency, so not eligible for reimbursement under reestablishment expenses. In addition, the tenant business owner will not be provided with relocation assistance to move the trade fixtures to the replacement location.

In those cases where it is specifically stated in the appraisal that there is “no contributory value” for the improvements, then the cost to install/construct the same or similar modifications at the replacement site could be eligible for reimbursement as a reestablishment expense. If the appraisal is silent, it may be necessary to contact the appraisal department to determine how the item was considered in the appraisal process. In those cases where the appraisal provides a specific contributory value and the displaced business submits a claim for a modification that is similar to that of the displacement site, the value discussed in the appraisal will need to be deducted from the claim to avoid duplication of payment.

Appendix 12-2 Appeal/Reconsideration Language

Reconsideration of a WSDOT Decision

If you disagree with a determination WSDOT makes as to your eligibility for or the amount of your relocation entitlement, you may seek an informal reconsideration of such determination by sending a letter explaining your grievance within 30 days after receipt of such determination to:

Washington State Department of Transportation
Relocation Assistance Program Manager
Real Estate Services
PO Box 47338
Olympia, WA 98504-7338

If you disagree with the reconsideration decision of the Relocation Assistance Program Manager you may request an adjudicative hearing as outlined in the “Right to Appeal a WSDOT Decision” section below.

Right to Appeal a WSDOT Decision

You also have the right to appeal a WSDOT determination which includes my decision, without seeking reconsideration by Relocation Assistance Program Manager by filing an application for an adjudicative hearing before an administrative law judge of the Office of Administrative Hearings. You may file an application for an adjudicative hearing by serving a request for an adjudicative hearing pursuant to WAC 468-100-010 within 60 days of receipt of the WSDOT decision that you would like to appeal by certified mail, registered mail or personal service addressed to:

Washington State Department of Transportation
Office of the Secretary
Transportation Building
310 Maple Park Drive
Olympia, WA 98504-7316

Appendix 12-3 Object Codes and Definitions

JN70 Moving Households-Self-Move: Schedule Payments

Amounts paid to residential occupants displaced by a project based on the number of rooms and whether the dwelling is furnished or unfurnished.

- Payment includes dislocation allowance.
- Room count should include any personal property located outside the residence, i.e. garage, sheds, patio furniture, etc.

JN71 Moving Households—Actual Expenses (Commercial Move/Actual Cost Self Move)

Amounts paid to or on behalf of a residential occupant displaced by a project.

Payments for an actual cost self move can be made on behalf of the displaced person to a commercial mover or to the displaced person w/supporting receipts.

- Payment includes all eligible costs associated with the displaced person's move.
- This method should be encouraged in those situations where there is an abundance of personal property located on the exterior of the residence and it doesn't fit well into the scheduled room count.
- Can include fees paid to obtain move bids to relocate a mobile home considered to be personal property or for fees paid to obtain a value of the unit.
- Residential storage costs

JN72 Moving Business/Farms/Nonprofit Organizations—In Lieu Payment (Fixed Payment)

Amounts paid to businesses, farms, or nonprofit organizations in lieu of all other actual moving expenses. (Not available to a landlord business)

- Minimum payments \$1,000 to maximum payment of \$40,000.

JN73 Moving Business/Farms/Nonprofit Organizations—Actual Costs, Self Move, and Commercial Move

Amounts paid to or on behalf of Business, Farms, and Nonprofit Organizations for all eligible moving costs, excluding a payment in lieu of actual moving expenses.

- Actual costs include—Move costs, site search expenses, moving bid preparation fee, reprinting costs, disconnect/reconnect fees, planning expenses, move supervision expenses, connection to nearby utilities from the right of way, professional services performed prior to the purchase or lease of a replacement site, and impact fees or one time assessments for anticipated heavy utility usage.

JN74 Reestablishment—Non-Residential Moves

Amounts paid to or on behalf of a farm, nonprofit or small business displace for eligible expenses actually incurred in reestablishing the displaced business at a replacement site.

- Expenses are not to exceed statutory maximum of \$50,000.
- See [Chapter 12](#) of the R/W Manual for eligible expenses.

JN75 Replacement Housing Payments—90-day owner (\$31,000)

Amounts paid to or on behalf of residential owner-occupants, displaced by a project, (who have been in occupancy of the acquired dwelling for at least 90 days prior to initiation of negotiations) for a replacement housing payment.

- Payment includes reimbursement for loan fees and incidental purchase expenses. i.e. loan origination, appraisal, credit report, settlement fee, escrow fee, tax fee, flood determination, document preparation, lender's title insurance.
- ADA Requirements - This amount may exceed the calculated RHP. Includes fees paid for a home inspection.
- First \$31,000 should be coded in this area with the remainder being paid under JN79.

JN76 Increased Mortgage Interest Payment

Amounts paid to compensate residential owner-occupant for increased interest costs associated with financing the purchase of a replacement dwelling.

JN77 Rental Assistance—Tenants and Certain Other Displaces (\$7,200)

Amounts paid to 90-day tenants and owner occupants for rental supplement.

- First \$7,200 should be coded in this area with the remainder being paid under JN80.
- ADA Requirements - This amount may exceed the calculated RHP.

JN78 Down Payment Assistance—Tenants Amounts paid to 90-day tenant for a down payment allowance.

- Full amount of payment should be coded under JN78.
- Closing costs paid under this provision can't exceed total RHP calculation.

JN79 Last Resort Housing—Owner

Amounts paid under category of Last Resort Housing to or on behalf of a residential owner-occupant displacee.

- First \$31,000 paid under JN75. Includes all items listed under JN75.
- For those displaced persons who do not meet the length of occupancy requirements (less than 90 day occupant) the entire payment should be coded as JN79.

JN80 Last Resort Housing—Tenant

Amount paid under category of Last Resort Housing to or on behalf of a residential tenant—occupant displacee.

- First \$7,200 paid under JN77.
- Includes all items listed under JN77.

JN81 Personal Property Only Moves—Non-residential and Non-business moves.

Amounts paid to displaced persons who have personal property to be moved from the right of way due to an acquisition or project purpose where there is NOT a need for a full relocation of a residence, non-residential operation (vacant land), business, farm operation, or non-profit organization (NPO).

- See [Chapter 12](#) of the R/W Manual for move cost schedules & move options.

Appendix 12-4 Recommendation Memorandum



Washington State
Department of Transportation

Memorandum

DATE

TO: HQ Relocation Review Name

FROM: Region Staff Name

THROUGH: Region Relocation Supervisor Name

SUBJECT: Recommendation for Reestablishment
Project: Project Name
Parcel No.: Insert #, Displacee No., Name of Displacee

Bob the landlord purchased a replacement rental home at 1234 25th Ave SE, Olympia. The home is a 2 bedroom, 1 bathroom home with a single car garage. The previous owner of the home smoked indoors and had pets. The interior paint, carpet, and linoleum are extremely soiled and worn.

Bob received two proposals to replace the flooring and two proposals to paint the interior. Joe Dirt Painting bid to paint the interior for \$4,250.00 plus tax. Pricey Painting bid to paint the interior for 5,900.00 plus tax.

Awesome Floors Inc. bid to replace the carpet, pad, and linoleum for \$4,954.94. Included in the bid is the cost to remove and replace the appliances and toilet during the proposed work. Crummy Carpet Co. bid to replace the carpet and linoleum for \$7,986.96. Their bid did not include the cost of a new pad or removing and replacing the appliances and toilet.

Recommendation

Joe Dirt Painting supplied the lowest acceptable bid to paint the interior. Awesome Floors Inc supplied the lowest acceptable bid to replace the flooring. I recommend approving these expenses as eligible reestablishment expense in the amount of \$9,204.94 (plus WSST for painting) per WAC 468-100-306(d), redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.

Agent's initials

Attachment: Estimate from Joe Dirt Painting, Pricey Painting, Awesome Floors, Crummy Carpet Co, replacement photos, and diary

Appendix 12-5 Perishable Inventory

Perishable Inventory

When taking inventory of a business with perishable inventory it is the relocation specialist's job to:

- Advise the business owner of the direct loss of tangible personal property process (DLT) for perishable items. Some items in these types of establishments have "best if used by" dates, "born on" dates and/or expiration dates.
- Take an inventory of the perishable items initially and discuss how to handle these items. The displacee has the option of returning those items to the vendor or selling those items prior to the move date.
- Advise the business owner that he is required to make a reasonable attempt to sell these items prior to the move. This can be done by selling the items at full price, a discounted price or returning the items to the vendor. It is in the owner's best interest to sell the items. The business is only entitled to the lesser of:
 - The wholesale value (not the retail value) less the proceeds from its sale, or
 - The estimated cost of moving the item.

For perishable inventories the cost to move the items will most generally be less than the wholesale value. So if they sell the items they will most likely receive more money as they will get the money from the sell and they will also get a payment for the move cost.

For example:

- Move estimate = \$100
- Wholesale value = \$500
- Proceeds from the sale = \$300
- Value not recovered from sale = \$200
- Payment is the lesser of move cost or value not recovered = \$100

So, the business owner received \$300 for the sale of the items and \$100 from WSDOT for the DLT calculation which means the business owner gets a total of \$400. If the business does not sell the items and transfers ownership to WSDOT or throws the product away then he only nets \$100.

- Just before the move a final inventory of the perishable items should be prepared. Items that were returned to the vendor, sold and are to be disposed of must be identified.

Note: To be eligible for payment, the displacee must make a good faith effort to sell the inventory, unless WSDOT determines such effort is not necessary (approval by RAPM required). WSDOT will reimburse them for any expenses in attempting to sell these items. The owner is required to:

- Document the sale prices, if any, and the actual reasonable cost of advertising and conducting the sale.
- Provide WSDOT with a copy of the bills of sale or similar documents and copies of any advertisement, offers to sell, auction records, and other data supporting the bona fide nature of the sale.

Alcohol & Tobacco:

Items such as alcohol and tobacco can also be returned to the vendor. It is understood that if a bottle or can is missing from a six pack the vendor cannot take it back. With cartons of cigarettes it is understood that once a carton is opened the vendor cannot take that carton back. These items have “born on” dates and “best if used by” dates. Be sure the displaced business takes great measures to sell these items, even if it is at a discounted price. If these items are not sold an inventory of these items is required and the location of disposal must be noted. The displaced business cannot keep the items; however, they can transfer or sell these items to another store. Disposal of these items are regulated by a federal agency and the business must follow proper procedures for disposal.

Any personal property inventory not sold (abandoned) requires the displaced business owner to transfer ownership of the personal property to WSDOT per WAC 468-100-301(10). WSDOT will then follow procedures set forth in the WSDOT Disposal of Personal Property Manual (M 72-91).

Others examples of items that expire are: batteries, over the counter medications, etc.

Appendix 12-6 Fluctuating Inventory

Fluctuating Inventory, i.e. Mobile Home Sales Lot and Vehicle Sales Lot:

When creating the personal property inventory for a business with fluctuating inventory the specialist must:

- Make it clear to the business owner that an initial move estimate will be performed based on the items currently in stock to establish a move cost range or threshold.
 - Car Lot **Example:** An operating vehicle is \$35 to move according to the personal property schedule. In the event you are acquiring a strip from a car sales lot and only requiring the business to move the cars in the acquisition area:
 1. In writing inform the owner that he is eligible to receive \$35 per operating vehicle moved.
 2. On the date of the move the relocation specialist must be there to perform a current vehicle inventory.
 3. Prepare the Moving Expense Agreement based on current inventory.
 4. Monitor the move.
 - Mobile Home Sales Lot **Example:** Prior to the move date;
 1. Relocation specialist must obtain move estimates from professional mobile home movers in order to establish an amount for certain size and type of units. The successful bid amounts set a threshold for a specific size and type of units to be moved.
 2. The date the move starts the agent must create a revised inventory of all units on site to be moved that day.
 - This inventory must contain at a minimum a
 1. photograph of each unit
 2. the unit size
 3. VIN# or serial number (a photograph of this tag would be good too)
 3. Prepare the Moving Expense Agreement based on current inventory.
 4. Monitor the move.

In the event some units have sold since the initial inventory and move bid were completed we have the VIN#/serial number and photograph of the units eligible for moving.

In the event the move takes more than one day, the business owner is not eligible to receive move cost reimbursement for units received after the initial move date or move cost reimbursement for units initially there that have sold prior to the initial move date.

Appendix 12-7 FHWA Annual Statistical Report

FHWA ANNUAL STATISTICAL REPORT

Reporting Agency	Washington State Department of Transportation, Real Estate Services
Date of Report	October 1, 2007 to September 30, 2008

1	Total number of parcels acquired	1,007
2	Number of parcels in line 1 acquired by condemnation	30
3	Number of parcels in line 1 acquired by administrative settlement	423
4	Compensation- Total costs excluding appraisal costs, negotiator fees, and administrative costs.	\$120,254,094.00
5	Total number of residential displacements.	215
6	Residential moving payments (total costs).	\$496,353.00
7	Replacement housing payments (total costs).	\$3,082,629.00
8	Number of last resort housing displacements in line 5.	158
9	Number of tenants converted to ownership in line 5.	19
10	Total costs for residential relocation (excluding admin costs) add lines 6 & 7.	\$3,578,981.00
11	Number of non-residential displacements.	173
12	Non-residential moving payments (excluding reestablishment) total costs.	\$2,538,962.00
13	Non-residential reestablishment payments- total costs.	\$2,028,260.00
14	Non-residential moving payments- total. Add lines 12 & 13.	\$4,567,222.00
15	Number of grievances (appeals) files.	18

Appendix 12-8 Costs Reestablishment Expenses



Washington State
Department of Transportation

Memorandum

Date: June 3, 2011

To: Relocation Assistance Program Manager (RAPM) Reviewer's
Name, State Relocation Reviewer

From: Supervisor's Name, Region Real Estate Services Supervisor
Relocation Specialist's Name, Region Relocation Specialist

Subject: **Reestablishment Recommendation – Estimated Increased Costs for Operation**
Project Name
Displacee Name
WSDOT Parcel No.
Displacee No.

Displacee's Claim - \$50,000

Ruff's Pet Supplies is requesting reimbursement of \$50,000 under reestablishment expenses for the increased cost to operate their business at their new location, 12345 State Route 455 in Kelso, WA based on the rent difference at their displacement location and the new location.

Background

WSDOT initiated negotiations with Ruff's Pet Supplies landlord at the displacement site on September 2, 2010 for the State Route 42 highway improvement project. Ruff's Pet Supplies, a non-residential displacee, expressed their desire to expand their business due to this relocation. They vacated the displacement site on January 31, 2011. Ruff's signed a lease agreement with Stone Properties, Inc. on January 25, 2011 to commence occupancy of the replacement site on March 1, 2011.

The monthly rent at the displacement site was \$1,500 per month and the business was responsible for paying all utilities. Per Lewis County Assessor records for Parcel No. 12345-001-01-0000, the 2,000 s.f. building was built in 1945 and zoned Commercial General Retail.

Ruff's new location is located at 12345 State Route 55 in Cowlitz County. Per County records, the 1954 building is split-level with a total of 4,041 s.f. Contract rent is \$4,041 per month and includes the base monthly rent of \$2,997.44 plus an additional \$602.50 for other property charges, such as insurance premiums, repair and maintenance charges (or \$1.00 per square foot per year). Ruff's is also responsible for paying all utilities. Per terms in the rental contract, Ruff's is not required to pay rent for the first three months.

Analysis

Actual Test: Ruff's signed a rental contract with Stone Properties, Inc. on February 25th and rent is \$4,041 per month. Actual costs for increased operation should consider the three-month rental credit the business has per terms in their rental contract (see Rent Rider, last page of the contract). A copy of the rental contract is attached to this Recommendation Memo.

DOT Form 700-008 EF
Revised 5/99

Ruff's Pet Supplies
June 3, 2011
Page 2

Reasonable Test: The new site is larger in square footage, slightly more than twice as large as the displacement site. It's not reasonable to reimburse the business for the entire rental cost increase as their new site is much larger than the displacement site. Instead, increased operation costs should be based on the size of the displacement structure, or 2,000 s.f.

Rent at the 2,000 s.f. displacement site was \$0.75/s.f. (\$1,500/month divided by 2,000 s.f.). Based on the rental rates of available Kelso commercial rentals, rents range from \$0.83/s.f. to \$2.17/s.f., of those comparable sites within one mile of the replacement site averaged \$1.04/s.f.

Necessary Test: Commercial rental properties are scarce in the Longview area. Using Craigslist.com and www.commercialmls.com, I located one 2,500 s.f. rental available in downtown Longview. Market rent is between \$13.20-\$15.00 s.f. or \$2,750 month.

There are more commercial rental opportunities in the Kelso than Longview area – a summary is attached to this Recommendation Memo. In short, I found 18 available sites that were within 1,800-2,700 s.f. and as close as 0.51 mile to 5 miles away from the actual replacement site.

I recommend calculating reimbursement for increased costs to operate the business at the new location based on the size of the displacement site, or 2,000 s.f. as follows:

Dollar per s.f. for replacement location:	\$4,041 divided by 4,041 s.f.	=	\$1.00/s.f.
Adjusted s.f. for replacement location:		=	2,000 s.f.
Adjusted rent at replacement location:		=	\$2,000/month
Rent at displacement location:		=	\$1,500/month
Difference in monthly rent:		=	\$500/month
Multiplied by 21 months (3 months rent-free at new location):		=	\$10,500

Total recommended eligible reimbursement for increased cost to operate under WAC 468-100-306(1)(f)(i) is \$10,500.

Attachments:

Copies of leases for displacement and replacement sites
County Assessor Parcel Information on displacement and replacement sites
Comparable Rental Summary

Note – the attachments are not included

Appendix 12-9 Major Exterior Attribute

This is a total acquisition of a single family residential property in Tacoma, Washington. The owners have lived there for 19 years. The appraised value is \$325,000. The appraisal states that the replacement value of the in-ground swimming pool is \$20,000 but it only contributes \$10,000 to the total property value. Pools are not typical in the Tacoma area. Three comparables are found, none of which have an in-ground pool. The most comparable is listed at \$320,000.

How do you calculate the Maximum Price Differential payment?

Appraised Value	\$325,000
Less value of pool from appraisal	<u>10,000</u>
Adjusted Value of Displacement	\$315,000
Price of Most Comparable	\$320,000
Less Adjusted Value of Displacement	<u>315,000</u>
Maximum Purchase Price Differential	\$ 5,000

Appendix 12-10 Larger Than Typical Lot and Mixed Use Property

Larger Than Typical Lot Example

This is a total acquisition of a single family dwelling on three acres. The appraised value of the land is \$105,000. Each acre is valued at \$35,000 and the dwelling is valued at \$80,000. The total appraised value is \$185,000.

The agent determined that typical residential tracts in the area are one acre. Three comparables were found situated on a typical tract of one acre. The most comparable is listed at \$200,000.

How do you calculate the Maximum Price Differential payment?

Appraised Value	\$185,000
Less two acres valued at \$35,000	<u>70,000</u>
Adjusted Value of Displacement	\$115,000
Comparable Replacement Dwelling	\$200,000
Less Adjusted Value of Displacement	<u>115,000</u>
Maximum Purchased Price Differential	\$ 85,000

Mixed Use Example

This is the total acquisition of a two acre tract that contains a grocery store and a residential home. The owner of the home is also the occupant and the operator of the store. Because the property is considered mixed use, the value of the business portion of the property must be carved out from the value of the residential portion of the property.

The appraisal indicates the following:

Value of land	\$300,000
Value of Commercial Building	100,000
Value of Residential Dwelling	<u>150,000</u>
Total Appraised Value	\$550,000

It is determined that the property is equally divided for residential use and commercial use. Therefore, the value of the land that pertains to the residential portion of the property is \$150,000, giving the residential portion of the property a total value of \$300,000, leaving \$250,000 for the value of the commercial portion where the convenient store is located.

How do you calculate the Maximum Price Differential payment?

Value of land for residential purposes	\$150,000
Plus Value of Residential Dwelling	<u>+\$150,000</u>
Total Appraised Value of Residential Portion	\$300,000

Three comparables were found located on similar size property comparable to the residential portion being acquired. The most comparable is listed at \$325,000.

Comparable Replacement Dwelling	\$325,000
Less Appraised Value of Residential Portion	<u>300,000</u>
Maximum Purchase Price Differential	\$ 25,000

Appendix 12-11 Determining the Number of Businesses

While multiple businesses can operate at a displacement site, there is a possibility that there may only be one displacement depending on the factors for determining the number of businesses.

The Washington State Department of Transportation (WSDOT) is displacing a hair salon that operates under the business name “Hair Dos to Go.” Each of the six stations are leased to individual stylists who each file their taxes separately. All six stylists share the same wash bowl and back bar of shampoos, colors, etc. The salon has one receptionist that books appointments for all stylists and collects payments. All checks are made payable to either Hair Dos to Go or to the individual stylist. The relocation specialist completed the occupancy survey for each of the stylists and now must determine how many businesses are displaced. According to the occupancy surveys, the entire salon will relocate to the same replacement site.

The specialist must apply the considerations listed in [WAC 468-100-304](#) *Fixed payment for moving expenses – Nonresidential moves* to determine how many displacees are onsite.

- The same premises and equipment shared.
- Substantially identical or interrelated business functions are carried out and business and financial affairs are commingled.
- The entities are held to the public, and to those customarily dealing with them, as one business.
- The same person or closely related persons own, control, or manage the affairs of the entities.

In this example, all the stylists share the same premises and equipment. They have identical or interrelated business functions but their financial affairs are not commingled. The stylists are held out to the public as one salon “Hair Dos to Go” and the customers think it is one business. It is clear that not the same persons own control and manage the affairs of the salon.

Based on the outcome of these considerations, WSDOT would recognize that there are multiple operational business but only one displacement and thus eligible for only one reestablishment payment. If the stylists choose to move separately, it would be appropriate to treat them as a separate business, allow them a separate searching expense, AND a separate reestablishment payment. BUT how much they could actually receive for a reestablishment payment is going to be limited to what is “actual, reasonable, and necessary.” So if the “Hair Dos to Go” business is moving to a replacement site where each of the stylists could relocate and continue on as before, most of the items under [WAC 468-100-306](#) would not be “reasonable and necessary,” perhaps with the exception of exterior signing and advertisement of the replacement location; although, even those items may not be “reasonable” if the stylist would not have incurred such costs had she moved with “Hair Dos to Go.”

Appendix 12-12 Professional Services Performed by Displaced Business

Example

The Washington State Department of Transportation (WSDOT) has displaced an architect firm that is qualified to perform space planning which is a service they offer as part of their business operation. In this situation, the displaced business could apply for a waiver. In the case of a waiver, WSDOT must pre-approve a reasonable hourly rate and a scope of work prepared by the business. This hourly rate and number of labor hours cannot exceed what a professional would charge to perform the same task.

Appendix 12-13 Reestablishment and Duplication of Payment

The displaced farm is paid \$5,000 in the acquisition process for the loss of a pond as a source of water to feed livestock. It is necessary to replace the pond and the cost of replacement is \$10,000. If the displaced business received assistance from another governmental agency to make up the difference in the cost, there would be no reestablishment expense incurred. If the displaced business received a portion, say \$3000, from another governmental agency, the difference, or \$2,000, could be reimbursed as a reestablishment expense. If the displaced business has not received any payments other than the \$5,000 paid during the acquisition process, or the relocation specialist does not have knowledge of any other payment for this purpose, then \$5,000 can be reimbursed to replace the pond as a reestablishment expense.

Appendix 12-14 Displaced Business Leasing to Themselves

Determining eligibility of a displaced person who owns property and rents the property to a business owned by themselves.

Essentially, they are renting to themselves. For example, John Doe owns a piece of property and is renting to a car dealership he also owns. The property is being purchased by WSDOT for a transportation improvement project. Do they qualify as two business displacements and eligible to receive relocation entitlements on both?

Generally speaking, this issue would be of concern when considering business reestablishment expenses (49 CFR 24.304 and [WAC 468-100-306](#)), certain actual cost move expenses (e.g., searching expenses) as per [WAC 468-100-301](#), related nonresidential expenses (such as impact fees) as per [WAC 468-100-303](#), or the fixed payment in lieu of moving expenses as per [WAC 468-100-304](#). The need to be able to distinguish whether the “business” qualifies as one or more businesses would not normally be an issue with those costs directly attributable to moving personal property, such as disconnect/reconnect, packing, transporting.

However, in those situations where it is necessary to determine whether a displacement constitutes one business or multiple businesses in order to avoid duplicate or unreasonable reimbursement, you can apply the criteria set out in [WAC 468-100-304\(2\)](#), even if the displaced person is not applying for the fixed payment.

Following is that regulation:

In determining whether two or more displaced legal entities constitute a single business, which 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 commingled.
- 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.

When applying the test for the number of businesses, we should apply all relevant factors and weigh their applicability. The four tests to determine the number of businesses are things to consider when making this determination, not all are required, but other things may also be considered.

Taking the example about John Doe's car dealership noted above and applying the criteria from [WAC 468-100-304\(2\)](#), here is how that decision might be made:

- A. John Doe's car dealership is sharing the same premises as the property he is leasing to the car dealership, which suggests this might be one business.
- B. If the business and financial affairs of both the car dealership and John Doe's leasing of the property to his business are commingled—for example, if they are reported as part of one tax filing—this would suggest this is one business.
- C. If John Doe is only a landlord for the site that the car dealership occupies—i.e., he has no other related rental properties—and he does not hold his “leasing” activity out as a separate business, this also would suggest this is one business.
- D. If John Doe is the sole owner of the car dealership and of the underlying property which he is leasing to the car dealership, this is a pretty solid indication this is one business.

Of course, there are many different situations that may arise, so you will have to consider each situation on its own merits. While applying the criteria from [WAC 468-100-304\(2\)](#) will help, what you are likely to find is that a particular situation might fit a couple of these criteria, but not all of them. For example, what if John Doe (using the example above) has other properties that he leases to businesses that he does not own, so that his income derives both from the car dealership and from his rental properties? Or, what if he is co-owner of the car dealership but sole owner of the real estate he is leasing to the car dealership?

The bottom line is—do the business operations really function as separate entities, or are they so closely intertwined that they constitute a single business displacement? Applying the criteria from [WAC 468-100-304\(2\)](#) is a good starting point.

Appendix 12-15 Duplication of Payment

Situation

The property is occupied by the owner who is operating a business from the site as well as another tenant who is also operating a business on site. The occupants of the property purchased by WSDOT have interrelated business functions. The settlement agreement paid all funds to the displaced property/business owner and did not pay anything to the tenant. The tenant was on a month-to-month lease so no release of lease was required. The tenant business is now submitting relocation claims for property which is considered by the appraisal to be realty and was paid to the owner in the settlement agreement. The tenant business shared the space and many of the real property improvements and now wants them relocated to their replacement property. The tenant wants the real property improvements or fixtures that they were sharing with the owner at the displacement site relocated to their replacement site.

Result

The language of the regulation, both at 49 CFR 24.3 and in the federal appendix, does make it clear that the duplication of payment prohibition deals with “the person.” That is, it is specific to the person receiving the original payment. [WAC 468-100-003](#) is modeled after this federal regulation.

With that said, however, that does not confer upon the tenant any right to compensation for an item that is part of the real estate and for which the owner has already been paid. By way of analogy—just because the owner of a piece of real estate receives just compensation for the value of that real estate, it does not mean that a tenant of that site should also receive just compensation for the same piece of property just because the tenant is using that real estate.

Now, if the tenant has improvements on the real estate and the agency establishes that such improvements are owned by the tenant and the property owner disclaims any right to compensation for those improvements, then the tenant would be compensated through the appraisal and acquisition process for those improvements. In such case, the property owner would not be paid for such improvements as well. Consider this example:

Total appraised value of real estate to be acquired is \$500,000.

The property is improved with an auto repair shop owned and operated by a tenant of the site.

The contributory value of the auto repair shop to the total appraised value of the real estate is \$300,000.

The lease allowed the tenant to build on the site and the property owner disclaims any interest in the improvements.

Consequently, the agency will make an offer of \$200,000 to the property owner for his interest in the real estate and an offer of \$300,000 to the tenant for the improvements.

In this example, neither the property owner nor the tenant is eligible to receive relocation assistance to relocate any improvements, including fixtures, that the agency's appraiser included in the appraisal and that the agency acquired.

As for fixtures, machinery, equipment, etc., that were NOT included in the appraisal as part of the real property, then it is necessary to establish who owns them and the appropriate party—either the owner or the tenant—may be paid to relocate them. It might be necessary to consult with the review appraiser about this matter. If just compensation was set by the agency based on an understanding from the appraisal that these items are part of the real estate rather than personal property, then they have been acquired and the tenant could not receive a separate payment for them.

For clarification: Words like “fixtures,” “machinery,” “equipment,” “fixed assets,” or many other similar terms may often be used by property owners, tenants, appraisers, etc. Regardless of the terminology used, the bottom line is this—what did the agency actually buy from the property owner (or from the tenant, in the case of tenant-owned improvements)? If the appraiser did not make it clear in the appraisal how such things as machinery, equipment, fixtures, furniture, etc., was dealt with, the review appraiser needs to get that clarified. Relocation must know what was acquired and what was treated as personal property.

Note: If both the owner and the tenant are paid either acquisition funds for the same item, or moving expenses for the same item, FHWA will participate only in one of those payments and the other must be coded non-Federal-aid participating.