



5.5 RESIDENTIAL RELOCATIONS

This section describes general requirements for a replacement housing payment (RHP) to be made available to a person(s) displaced from a dwelling. A person is not required to relocate to the same owner or tenant occupancy status, but has other options as specified under this section. An agency will make one replacement payment for each dwelling unit, except in cases of joint occupancy of a single-family dwelling.

5.5.1 Replacement Housing Payment Eligibility

Persons who meet length of occupancy requirements as an owner or tenant occupant displaced from a dwelling are eligible for a replacement housing payment (RHP) if the person occupied the dwelling for not less than 90 days immediately before the initiation of negotiations as an owner or 90 days as a tenant. A less than 90-day owner/tenant may qualify for a tenant replacement payment under hardship circumstances. These basics are necessary:

- Displaced person is in occupancy when a notice of intent to acquire is issued by WisDOT, and said occupancy fulfills all requirements for a RHP.
- Displaced person is in occupancy on date of initiation of negotiations for partial or total acquisition of parcel.

Payment will be made to a displaced person who either rents or purchases and occupies a decent, safe and sanitary (DSS) replacement dwelling not later than one year after the later of:

- Required amount is deposited with county court for Award of Damages.
- Final payment is made for subject property.
- Subject property is vacated.

A replacement dwelling is purchased when a person:

- Acquires an existing dwelling.
- Contracts to build or builds a new DSS dwelling on a site owned or acquired.
- Occupies a dwelling or site owned prior to acquisition of subject site, provided they occupy it within one year and dwelling is DSS. The current fair market value of replacement dwelling and land is used as actual cost in determining payment. See [Adm 92.04](#) for further discussion.
- Purchases ownership interest in a retirement facility.
- Purchases or retains subject site and meets requirements of [Adm 92.70\(7\)](#).
- Relocates or rehabilitates a dwelling owned or acquired.

All residential claims must be filed not later than two years from dates described above. A replacement payment may be deferred until occupancy; however, payment may be made to the displaced person before occupancy provided WisDOT is assured that occupancy will occur and approval is obtained from RE management in the region.

5.5.1.1 Replacement Housing Standards

Standards for comparable replacement housing are:

Decent, safe and sanitary (DSS) - Prior to processing a RHP for an owner or tenant, the replacement dwelling must be inspected to determine if it meets standards for DSS housing as defined by [Adm 92.04](#) and [49 CFR Part 24.2](#). In Wisconsin, the Uniform Dwelling code is adopted on a statewide basis and is the standard for a DSS home inspection along with Adm 92.04. The relocation agent completes the Inspection and Certification of Decent, Safe, Sanitary (DSS) Replacement Housing (RE1950). WisDOT may use services of a professional home inspector licensed in the state of Wisconsin. Where warranted, WisDOT may also use the services of another public agency ordinarily engaged in housing inspection to make the inspection.

Habitable - A habitable room is a room used for sleeping, living or dining, but excludes closets, pantries, bath or toilet rooms, service rooms, hallways, stairways, laundry area, storage spaces, cellars, utility rooms and similar spaces. Habitable floor space is further explained in [Adm 92.04\(2\)\(i\)](#), [\(3\)](#) and [\(5\)](#).

5.5.1.2 Persons Not Displaced

Situations may occur where a person(s) is given notice of a pending displacement and a notice of eligibility in writing, and subsequently WisDOT determines the site is not needed and gives notice that the dwelling and land will not be acquired. In such cases, the occupant(s) are notified in writing that they will not be displaced. No such notice shall be issued unless the person has not already moved and WisDOT agrees to reimburse the person for any expenses incurred to satisfy any binding contractual obligations for the purposes of relocating to another site. Expenses to be reimbursed shall be after the date of notice for relocation eligibility. For examples of persons not displaced, see Section 5.0 of this manual and [Adm 92.01\(14\)\(b\)](#).

5.5.1.3 Statement of Eligibility

When a relocatee qualifies for a RHP, upon the displaced person's request, WisDOT will provide a statement of eligibility to any interested party, financial institution or lending agency that the displaced person is eligible for the payment of a specific sum provided they purchase and occupy a replacement site.

5.5.1.4 Payment Application

Application for all RHPs and rent supplement payments must be in writing on a claim form to be provided by WisDOT. Claims must be filed within two years from the date of displacement. The displaced person must get their dwelling certified that it meets standards for DSS housing and that they are eligible for the payments requested. WisDOT staff or other qualified personnel will inspect and certify the replacement dwelling is DSS. Payments are made directly to the displaced person(s). Upon written instruction from the displaced person, payment may be made to both the relocatee and the lessor for rent (if a tenant), the moving company or other companies providing necessary services. Upon

request, WisDOT may make such payments to an escrow (joint savings) account. See Section 5.9 of this manual for more on filing claims.

5.5.1.5 Owner Occupant Electing to Rent

An owner occupant who has occupied their residence for not less than 90 days immediately before the date of initiation of negotiations for the acquisition of the property, who is eligible for a RHP, and who elects to rent, is eligible for a rent RHP. The RHP computation for rent purposes is capped at the amount computed for the owner/occupant to purchase comparable housing. See more below; also see [49 CFR Part 24.401\(f\)](#). All occupancy and other applicable procedures apply as described. An owner occupant who elects to rent remains eligible for any remaining unused balance of the RHP calculated for the purchase of a comparable replacement, less any amount previously dispersed.

5.5.1.6 Base Payment for Tenant Replacement Housing

A tenant's present monthly rent payment is the base monthly rent for replacement housing as determined by WisDOT, and the lesser of:

- 30% of average gross monthly income (if qualifies under HUD limits).
- Amount designated for shelter and utilities by a public agency.
- Current rent.
- Economic rent.

To be considered eligible under the thirty (30) percent rule, the relocatee must fall under the Department of Housing and Urban Development's (HUD) annual survey of income limits for the county of the displacement. The household income must be less than or equal to the identified income limits. See FHWA's website for more information on low income calculations: http://www.fhwa.dot.gov/real_estate/uniform_act/policy_and_guidance/low_income_calculations/.

Displaced persons refusing to provide appropriate evidence of income, and those who exceed income limits, will not be eligible under this provision. The term "household income," means total gross income received for a 12-month period from all sources (earned and unearned) including wages; child support; alimony; unemployment benefits; workers compensation; social security; or, net income from a business. It does not include income from dependent children or full-time students under 18. Full-time students may be considered dependent unless the person demonstrates otherwise. For additional guidance on computing payments when a relocatee is receiving rent assistance through the HUD Section 8 program, contact the BTS-RE statewide relocation facilitator.

5.5.1.7 Conversion of Rent Replacement Payment to Down Payment

A tenant who has received a rent assistance computation for replacement housing may convert that amount to be used as a down payment for the purchase of a replacement dwelling. The entire amount must be used for the down payment. Any rent assistance payment that has been previously disbursed is deducted from the payment used for the purchase of a replacement site. The RHP and closing costs must be actually incurred and required to be paid at the time of closing; neither payment can be part of the mortgage loan.

5.5.1.8 RHP Payment Upon Death

A RHP is personal to the displaced person; upon their death, any undisbursed portion shall not be paid to the heirs or assignee, except as follows:

- Amount attributable to displaced person's period of actual occupancy of replacement site.
- Any payments necessary to satisfy legal obligations of an estate due to selection of a replacement dwelling by or on behalf of a displaced person who subsequently died.
- Any remaining payment is disbursed to family members in cases where remaining family members occupy replacement dwelling.

5.5.1.9 Payments Acquired by Award of Damages or Litigation

The amount of a RHP may be subject to appeal or due to eminent domain litigation and payment of such amount will therefore be subject to the owner's signature on the Relocation Claim - Application and Release (RE1527) indicating they are in agreement with the terms and conditions as described in detail on the form.

5.5.1.10 Insurance Proceeds

To the extent possible and necessary to avoid duplicate compensation, any insurance proceeds received by a person in connection with a loss to the displacement dwelling due to a catastrophic occurrence is included in the acquisition cost of the displacement dwelling when computing the price differential.

5.5.1.11 Check Delivery

The RE specialist will deliver all checks for payment of claims filed by a displaced person. Checks can also be remitted by mail; it is recommended, however, that mailings be by certified mail (with receipt). It is also recommended that a receipt or acknowledgement of payment be signed by the relocatee and retained; use Receipt of Relocation Assistance Package (RE1036).

5.5.1.12 Multiple Occupancy of Dwellings

One replacement payment is made for each dwelling unit, except in the case of joint occupancy of a single family dwelling. If two or more occupants (singles or a family) are living in a single dwelling that was being maintained as one household, and they move into separate or multiple replacement dwellings, each will receive a prorated share of the total allowable relocation payment. WisDOT will make a determination of joint occupancy when:

- A person rents a sleeping room within a dwelling.
- Two or more distinct family units share a dwelling.
- Two or more unrelated persons divide rent and expenses on a prorated basis while maintaining lifestyles independent and exclusive of one another.

The RHP is based on comparable quarters to the privately occupied areas of each displaced person or family, plus shared community rooms; however, the habitable area (square feet) shall not exceed the habitable area if they were relocated as one unit.

5.5.2 Replacement Housing Payment Options

Replacement housing payments (RHP) in the form of a purchase, rent or down payment supplements must be offered to all eligible displaced persons. A tenant RHP may be used for the purchase of a replacement dwelling. The entire RHP amount must be used as a down payment supplement and applied to the down payment on a conventional loan when the comparable dwelling used by WisDOT is:

- Available on market at time RHP offer is made.
- Available within occupant's financial means.
- Decent, safe and sanitary (DSS).

For both an owner and/or tenant occupant, three comparables to the subject property are selected. Less than three comparables may be used provided the agent assigned to the parcel documents as to the reason. Consideration of location is important and to the extent feasible, comparable dwellings should be selected from the neighborhood in which displacement dwelling is located. The selected comparables must be the most nearly comparable to (equal to or better than) the subject property. The three comparables selected must take into consideration all of these factors:

- Availability on market.
- Functionally equivalent to subject site.
- In an area generally not less desirable than dwelling to be acquired specific to:
 - Being an equal or better neighborhood.
 - Public and commercial facilities.
 - Public utilities.
 - Reasonable accessible to relocatees' place of employment.
- Substantially the same as subject site specific to:
 - Habitable living space.
 - Needs of displaced person(s).
 - Number and size of rooms and closets.
 - Size and utility of garage and outbuildings.
 - State of repair.
 - Type of construction.

5.5.2.1 Additional Considerations

Carve-out - When a comparable replacement dwelling used in computing the RHP is similar, except lacks major exterior appurtenances such as a garage or other outbuildings within the immediate area of the dwelling, the value of such attributes is subtracted from the acquisition cost of subject dwelling to establish a maximum RHP. This method is known as a carve-out for computation purposes.

Cost new - If comparable housing is not available after a thorough market study and search, the estimated cost of a new functionally equivalent and comparable DSS dwelling, plus available vacant site could be used.

Focus of services - WisDOT focuses its services and payment on the replacement of the dwellings occupied by families and individuals.

Maximum RHP - Reimbursement is the amount computed for the RHP or the actual costs of replacement dwelling, whichever is less. (Spend it to get it.)

New construction - For an owner who constructs a new dwelling, the actual replacement housing value is determined as the actual cost of the site, plus the costs of the improvements and labor to construct.

Non-DSS replacement dwelling - When the relocatee purchases and rehabilitates a non-DSS replacement dwelling (fixer upper), the actual cost is the purchase price of the replacement home, plus the costs of rehabilitation to correct all DSS deficiencies. This amount is used as the basis for the release of the RHP. The DSS home inspection or the cost of a professional home inspection and [Adm 92](#) is the basis for determining those costs that can be added to the purchase price versus remodeling or redecorating costs.

Prior ownership - If the replacement site was previously owned by the relocatee, use current fair market value of the land and/or improvements (an assessment or fair market value may be used in place of an appraisal where appropriate). Costs to bring the dwelling to DSS or comparable standards may be included, if necessary.

5.5.2.2 Revisions to Payment Amount

If a displacee requests an additional option in replacement housing, a comparable property must be offered that is available within the original offered amount. If an evaluation of the current market indicates there are no comparables available within the offered amount and WisDOT determines that a new comparable computation should be completed, the new amount is presented to the displacee. In no event will the new RHP be less than the original computed amount.

5.5.3 Computing Payments (Examples)

The following examples are provided as the recommended methods for computing replacement housing payments (RHPs). For situations not specifically covered by these examples and those presenting unusual circumstances, agents are encouraged to contact regional management or the statewide relocation facilitator for guidance.

Example 1 - Partial acquisition of single family dwelling (typical size lot); remainder is an economic unit. The maximum housing payment is determined by subtracting the before value of the property from the listing price of a comparable dwelling on a lot typical for the area that includes:

- Cost to cure.
- Price paid for a partial take of residential land.
- Price paid for improvements.
- Severance damages to remaining uneconomic site and improvements.
- Various other compensable items in appraisal.

WisDOT must offer to purchase the entire property. If the owner elects to retain the remainder land, the before value (or entire value) is used in computing the RHP.

Scenario: Strip taking from front of property will affect residence.	Appraised Value	Appraisal Allocation	Computation
Appraised before value of entire property	\$110,000		
Value of strip from parcel acquired, including improvements		\$80,000	
Remainder		\$30,000	
#1 Comparable replacement property			\$125,000
Before value			\$110,000
Replacement Housing Payment (RHP)			\$15,000

Example 2 - Remainder is an uneconomic site. The maximum housing payment shall be determined as in the economic remainder, except for these situations:

- A computation based on scenario below is completed and presented to owner/relocatee at time of initiation of negotiations; however, if they elect to retain uneconomic remnant a second computation is completed and presented to owner/relocatee (see both computations in chart below).
- If owner elects to sell uneconomic remainder to WisDOT, the before value (or entire value of the parcel) is used in computing RHP.
- If owner elects to retain remainder land, the value of part taken (value of strip of land) is used in computing RHP.
- WisDOT must offer to purchase entire property from owner.

Scenario: Strip taking from front of property will affect residence.	Appraised Before Value	Appraisal Allocation	Computation
Appraised value of entire property includes improvements, land, severance damages, cost to cure, etc.	\$130,000		(#2) \$130,000
Value of strip taking from parcel acquired, including improvements		(#3) \$120,000	
Severance damage		\$5,000	
Remainder		\$5,000	
#1 Comparable replacement property	\$150,000	(#3) \$150,000	(#2) \$150,000
Appraised value			\$130,000
Value of strip taking		\$120,000	
Replacement Housing Payment (RHP)		\$30,000	\$20,000

Example 3 - Single family dwelling (larger size lot). A carve-out should be made on a residential lot when the remaining portion can be sold as an economic unit on its own. When a person owns two adjacent lots that can be sold separately based on local zoning. When a lot or parcel is a little larger than surrounding lots (excess land in the before condition), a carve-out should not be done and is not necessary. The maximum RHP is determined by subtracting the acquisition price of acquired dwelling and the portion of the acquired land that represents a typical sized lot for the area from asking price of a comparable dwelling on a residential parcel typical in size for the area.

Example 4 - Single family dwelling (larger size lot) / carve-out and computation. Adjacent or excess lot(s) can be sold separately based on local zoning, based on a six-acre lot.

Step 1: Determine value of subject site based on appraisal allocation.

Before Value		Carve-out	Remainder
Total acquisition price	\$127,500		
Residence/site improvements		\$50,000	
Land, 5 acres at \$10,000/acre			**\$50,000
Typical lot for area/1 acre \$25,000		\$25,000	
Machine shed on 5 acres outside residential yard			**\$2,500
Carve-out total		\$75,000	
Remainder total			\$52,500
**Valuation of excess land/5 acres and machine shed are removed or subtracted from parcel, leaving residence and residential lot.			

Step 2: Use values from Step 1.

Computation	Carve-out	Computation
*Comparable replacement dwelling		\$100,000
Subject site - residence, land (typical lot)	\$75,000	-\$75,000
Replacement Housing Payment (RHP)		\$25,000
*Number one comparable sale based on market survey/study.		

Example 5 - Adjacent or excess land is slightly larger and cannot be sold separately.

Step 1: Determine value of subject site based on appraisal allocation.

	Before Value	Appraisal Allocation
Total acquisition price	\$125,000	
Residence		\$75,000
Land – ¼ acre		\$47,500
Machine shed		\$2,500
Total value to be used		\$125,000

Step 2: Use appraised total value from Step 1.

	Total Appraised Value	Computation
*Comparable replacement site ½ acre		\$135,000
Total appraised value	\$125,000	\$125,000
Replacement Housing Payment (RHP)		\$10,000
*Number one comparable sale based on market survey/study.		

The value of a typical lot for the area or subdivision is not used in second example because the lot size of the subject site is only slightly larger and cannot be used or sold separately from the rest of the site. If the above acquisition did not encompass the entire area of a typical sized residential lot, but was a 30 ft. strip acquisition from the front of the property, the acquisition value used for the valuation and carve-out computation would be that of a typical sized lot in the area. Under this method, purchase of the remaining typical sized lot is offered to the owner, but not required if the owner elects to retain land.

Example 6 - Single family dwelling (larger size lot) / acquisition by condemnation. When an acquisition price on a parcel larger than normal is subject to court judgment, and the final ruling

does not allocate the awarded amount, the percentage ratio of the improvements, land, damages and other improvements to the total acquisition price is the basis for allocating the judgment award, plus damages to the remainder, if any. This situation occurs infrequently. Consult with management and the relocation facilitator in determining what the allocation is and the amount of the RHP and if the amount is impacted by the court judgment.

Example 7 – Single family dwelling with major exterior attribute. When the displacement dwelling has a major exterior attribute, such as an outbuilding, detached oversized garage, barn, swimming pool, etc. and the comparable replacement site does not have this attribute, the value of the exterior attribute is deducted or removed from the approved offering price of the displacement dwelling for computing the RHP. Subject displacement has a large machine shed that is not on the comparable replacement site.

Step 1: Review appraisal and site/determine components of subject site.

Step 2: Complete market study/select #1 comparable replacement site (comparable does not have a machine shed).

Step 3: Carve-out value of subject site (deduct value of machine shed from subject site appraisal/approved offering price).

Subject Site	Appraised Value	Carve-out Value
Dwelling/improvements	\$90,000	\$90,000
Land/1 acre	\$20,000	\$20,000
20' x 60' machine shed	\$6,000	0
Carve-out value of subject site		\$113,000
Appraised value/approved offering price	\$119,000	

Step 4: Computation.

Value/comparable replacement site	\$120,000
Carve-out value of subject site	\$113,000
Replacement Housing Payment (RHP)	\$7,000

Example 8 - Single family dwelling on land with higher and better use. The maximum RHP is determined by:

- An older single family residence located in a business district (lot zoned commercial).
- Approved offering price is \$200,000 based on the highest and best use as commercial; the value is primarily in the land with little or no value to the dwelling. The ½ acre is valued at \$199,000; allocated value to the residence / improvements is \$1,000. A market study of the area indicates ½ acre lots are typical for dwellings in this area.

Step 1: Review appraisal for the allocation of land and dwelling.

	Approved Offering Price	Appraisal Allocation
Subject site	\$200,000	
Land 1/2 acre		\$199,000
Dwelling/improvements		\$1,000

Step 2: Complete market study for residence. Do market study to determine a typical sized lot for area.

Step 3: Determine #1 comparable replacement site. Market study indicates ½ acre lot is typical for area.

	Sales Price	Allocation
Comparable replacement site	\$125,000	
Dwelling		\$80,000
Garage/improvements		\$10,000
Land ½ lot		\$35,000

Step 4: Complete computation.

Comparable replacement site	\$125,000
Subject site	\$200,000
Replacement Housing Payment (RHP)	\$0

Example 9 - Multiple occupancy of owner occupied single family dwelling (also see REPM/Section 5.1). If two or more eligible families occupy the same single family dwelling, WisDOT will make one RHP available. If no replacement site/house is available that will accommodate the two families (and is DSS), a RHP may be made to the two families separately. Payments are based on housing comparable to that area occupied by each family, plus shared areas. The acquisition price used to calculate the RHP is the amount each person (family) receives from the total property acquisition payment based on a 50/50 split or the amount each receives based on another agreement. If two or more individuals occupy the same dwelling, they are to be considered as one family for the purpose of the RHP. Payment to each individual is based on a pro rata share of the RHP, usually 50/50. If the region determines they are maintaining separate households, they may be paid individually and separate for the purposes of the RHPs and move payments. In either case, they must qualify for all provisions. The RHP is based on the determination that all individuals will be relocated in the same ownership as they had at the time of initiation of negotiations.

Example 10 - Joint residential/business use (mixed-use). Where a displaced person occupies living quarters on the same premises as a business, farm or non-profit organization, the displaced person's living quarters and business should be separated for the purpose of determining their eligibility for relocation payments. Note: If the tract of land that the joint residential and business property is located on is smaller than a tract typical for residential use, a percentage based on ratio of the living quarters to the total building improvement should be calculated; this percentage should also be used to establish the acquisition price of the residential land. The comparable dwelling should be the same as that acquired; comparable living quarters in a joint residential/business use property (mixed-use site). If a joint residential and business use property is not available, a lower density duplex dwelling would be used as a comparable. If a duplex unit is not available, a single family dwelling would be used. The business replacement payment and benefits are determined in accordance with REPM/Section 5.6.

Step 1: Review appraisal (should visit site).

Approved offering price	\$150,000
Appraisal allocation	
Improvements	\$115,000
Paved parking	\$5,000
Land	\$30,000

Step 2: Carve-out separate values for living quarters and tavern based in above.

	Living Quarters	Business
Improvement	\$40,000	\$75,000
Paved parking lot	\$1,000	\$4,000
Land	\$10,200	\$19,800
Total carve-out value	\$51,200	\$98,800

Step 3: Locate comparable replacement site, preferably a tavern with living quarters.

#1 Comparable replacement site - business w/living quarters		Appraisal Allocation	Living Quarters	Business
List price	\$190,000			
Improvements		\$140,000	\$60,000	\$80,000
Parking lot		\$10,000	\$1,000	\$9,000
Land		\$40,000	\$19,000	\$30,000
Total carve-out value			\$71,000	\$119,000

Step 4: Computation.

Computation	Living Quarters	Business
#1 Comparable site	\$71,000	\$119,000
Subject site	\$51,200	\$103,800
Replacement Housing Payment (RHP)	\$19,800	\$20,200

Example 11 - Owner occupied multi-family dwellings. Assuming both units are equal; the procedure for computing the RHP for an owner occupant of a multi-family dwelling is:

- Amount of claim - If the owner purchases another income producing property and occupies it, only the value of the owner occupied unit shall be used when filing a claim for the RHP.
- Basis for calculation - The value of the owner’s unit is carved-out as the base for the RHP determination, not the entire approved offering price of subject property.
- Comparability - The comparable dwelling should be the same as acquired property (i.e., comparable should be a triplex if subject site is a triplex). If a comparable is not available with the same number of units, then structures of the next lowest density must be used. If there are no available comparable multi-family structures, then comparison of the owner’s unit would be to a single-family residence. A higher density structure should not be used as a comparable.
- Payment determination - The RHP computation is the difference between the value of the owner’s unit and the value of one living unit in the most comparable available property. See definitions in REPM/Section 5.1.

Step 1: Allocate value of duplex based on appraisal.

Subject Site/Duplex		Unit 1	Unit 2
Approved offering price	\$200,000		
Allocation			
Improvements	\$150,000	\$75,000	\$75,000
Land	\$50,000	\$25,000	\$25,000
Value of each unit		\$100,000	\$100,000

Step 2: Complete market study, locate #1 comparable duplex and allocate values based on sales price.

Replacement Site/Duplex		Unit 1	Unit 2
Sales price	\$220,000		
Allocation			
Improvements	\$160,000	\$80,000	\$80,000
Land	\$60,000	\$30,000	\$30,000
Value of each unit		\$110,000	\$110,000

Step 3: Computation.

#1 Comparable duplex/value of one unit	\$110,000
Subject site/owner's unit value	\$100,000
Replacement Housing Payment (RHP)	\$10,000

This example is based on the assumption the tenant will be relocated separately under the procedure for tenant occupants. If the acquired dwelling (duplex in this example) is located on a parcel of land larger than normal, the basis (acquisition price) of the owner's dwelling unit would be made up of the value of the owner's unit plus the value of the parcel typical in size for the area. If applicable, also apply this provision to the comparable dwelling (duplex). The landlord owner occupant may be eligible for move and reestablishment expenses but will not be eligible for a replacement payment. See Section 5.7 of this manual.

Example 12 - Owner retention of dwelling. If an owner elects to retain their dwelling and move it back on their current site or move it to another site, the following procedures should be followed. The retention value (or buyback purchase price) is determined by WisDOT and should be available as soon as possible after the initiation of negotiations or after the owner's request to purchase the improvement. Retention value should normally be established by property management personnel through a comparative analysis of improvements sold at public sale or other appropriate valuation method. Other factors to consider when considering this option for owner retention include:

- Condition of dwelling.
- Intent and owner's willingness to follow through on completing tasks.
- Is it necessary to move dwelling.
- Timing of project and if this can be accomplished prior to PS&E date.

It is important for owners contemplating retaining their dwelling to fully understand these provisions and procedures, so they can make an informed decision on whether they can accomplish the many tasks called for to move their current dwelling. The amount calculated as the RHP is the maximum payment an owner may receive under this option. The RHP must be calculated as explained earlier.

If subject dwelling is DSS (in before condition), to claim RHP, use:

- Current fair market value of remaining site, or a previously owned site.
- Other expenses incidental to retaining, moving and restoring dwelling to a comparable condition before move.
- Reasonable cost of developing a new site.
- Retention value of dwelling.

If subject dwelling is not DSS (in before condition):

- Payment is computed as above, except costs to cure DSS and building code deficiencies are included in costs to relocate and restore dwelling.
- Release of RHP must be withheld until the displacee occupies the dwelling; the one-year period to complete their transaction applies to owner retention of improvements.

5.5.4 Owner Occupant Payment w/Less 90 Days

An owner occupant who has occupied a subject dwelling for less than 90 days, who elects to purchase or rent, may be eligible to receive an amount not to exceed \$8,000 as a RHP. They are also eligible to receive expenses incidental to the purchase and move. In addition, an owner occupant may elect to change their status to tenant; rent assistance payment shall not exceed \$8,000. WisDOT will assist the owner to accomplish their request and will provide relocation services as required. This does not include any payment above the minimum to provide for housing of last resort.

5.5.5 Tenant Occupant Payment w/Not Less than 90 Days

All tenants are assured of receiving relocation assistance benefits and services to which they are entitled and are provided sufficient time to purchase or lease a replacement property. A tenant to be displaced is eligible for a rent RHP not to exceed \$8,000, based on one or more of these requirements:

- Has received a notice of intent to acquire by WisDOT.
- Is in occupancy at the initiation of negotiations for the acquisition of the site or real property and that such occupancy has been for not less than 90 consecutive days immediately prior to the initiation of negotiations.
- Is issued an order to vacate even though the property is not acquired, except that a tenant who after receiving a notice of relocation eligibility is notified in writing that he/she would not be displaced from the project. No notice is given unless the person has not moved and WisDOT agrees to reimburse the persons for any expenses incurred to satisfy any binding contractual relocation obligations entered into after the date of the notice of relocation eligibility.
- Qualifies as a displaced person under [Adm 92.01\(14\)\(a\)\(1\)](#).
- Rented and occupied a DSS dwelling or apartment not later than one year after the date the tenant vacated the subject site.

5.5.6 Tenant Replacement Housing Payment

WisDOT calculates the RHP for a tenant by:

- Analyzing rental market.
- Calculating payment based on comparable.
- Selecting one of three as most comparable.
- Selecting three comparable apartments or dwellings (whichever is appropriate).

For determination of the base monthly rent, see above. The payment is calculated as follows:

$$\text{Base monthly rent} - \#1 \text{ Comparable rent} \times 48 \text{ months} = \text{Replacement Housing Payment (RHP)}$$

Example: Calculation.

#1 Comparable site rent	\$500	
Utilities	\$100	
Total		\$600
Base rent at subject site	\$350	
Utilities	\$100	
Total		\$450
Difference		\$150
x 48 months (rent assistance payment)		\$7,200

Release of the RHPs for tenants is made based on the actual rent paid at the replacement site or the amount computed as the RHP, whichever is less. Below, see release of tenant RHP based on actual rent paid by tenant.

Rent 'less' than computation	
Site selected and occupied by tenant	\$450
Utilities	\$60
Total	\$510
Base rent & utilities (from above)	\$450
Difference	\$60
x 48	\$2,880
Amount of computation released	\$2,880
Rent 'greater' than computation	
Site selected and occupied by tenant	\$600
Utilities	\$100
Total	\$700
Base rent & utilities (from above)	\$450
Difference	\$250
x 48	\$12,000
Amount of computation released (capped at original computation)	\$7,200

Disbursement of the RHP for a tenant is based on the concept of the above chart and the following paragraph, provided the displaced tenant rents a replacement site meeting the standards for DSS housing. Such disbursement will be in two installments if necessary. One check is disbursed at the time of rental and occupancy of the replacement site, and the balance (if any) is disbursed at the end of the six-month period provided the tenant is still occupying DSS housing. The first check is in an amount up to and including \$8,000 or the amount of the computation should it be less. The balance of the RHP (if any) will be disbursed in six months. If a comparable rental is not available within the monetary limits established (tenant RHP

\$8,000), this limit may be exceeded and a greater payment calculated which provides comparable replacement housing. Also, see last resort housing.

5.5.7 Tenant Who Elects to Purchase

A tenant occupant for not less than 90 days eligible for relocation benefits and services who elects to purchase a replacement dwelling can use the benefits calculated for the rental of a replacement dwelling to purchase a replacement dwelling. They are also eligible for incidental, closing and moving expenses to purchase a replacement dwelling. Time requirements for purchase of a replacement dwelling are the same as the rental of a replacement dwelling and have been covered elsewhere. The tenant must apply the full amount of the computed RHP toward the down payment. Note: The down payment will be limited to the amount required to purchase a comparable replacement property (i.e., should an amount less than the amount computed for the RHP be put down on a purchased replacement site, only that amount will be eligible for release by WisDOT). For information on incidental expenses, reference REPM/Section 5.4.

Tenant purchases replacement dwelling			
Amount of RHP computed	\$8,000		
Actual down payment		\$5,000	
Purchase of dwelling			\$75,000
Amount of RHP released		\$5,000	

5.5.8 Payment to Tenant of Sleeping Room

A tenant of a sleeping room, for not less than 90 days, who is displaced and is eligible for a RHP, may receive a payment for four years, not to exceed \$8,000, for the rental or purchase of replacement housing. Such RHP is calculated in accordance the procedure for calculating rent replacement payments. If after moving to a DSS dwelling within one year, a tenant then moves to a dwelling with a higher rent cost, the tenant may present another claim for the remaining amount of the original RHP not already claimed (see example above). The combined claim shall not exceed the total original RHP computed by WisDOT.

5.5.9 Housing of Last Resort

Housing of last resort is a mechanism using extraordinary funding or other actions to provide comparable, DSS housing. It is essential that all such action be conducted in a cost-effective manner and conforms to sound business practices. All funds expended under this provision are to be used only for the intended purpose for which they are made available to the displaced person. Whenever a highway project cannot proceed on a timely basis because comparable replacement dwellings are not available for owners or tenants under the provisions for RHPs, the Uniform Act, [49 CFR Part 24 - Regulations](#) / [Subpart E-Replacement Housing Payments](#); [§ 24.404 Replacement housing of last resort](#) provides for replacement housing in these situations:

- A handicapping condition exists with a displaced person that may require modification to a replacement dwelling to accommodate the handicapping condition.
- Comparable replacement housing is available for displaced person(s), but the computed RHPs exceed the maximum amounts. Note: Established RHPs maximums are \$31,000/owners, and \$8,000/tenants.

- Comparable replacement housing is not available for a displaced person(s).
- The occupants have resided in the dwelling less than 90-days who cannot be relocated to a comparable replacement dwelling within their financial means.
- There is little, if any, comparable replacement housing available to displaced persons within an entire program or project area and the project cannot be advanced to completion in a timely manner without such assistance.

Any decision to provide housing of last resort must be adequately justified and such justification shall be documented. Using housing of last resort effectively requires planning. During the RE project development phase and in preparation for the acquisition stage plan, the agent should obtain information about the needs, preferences and intentions of the displaced person through in-depth interviews. This information should be included in the acquisition stage plan, along with suggested or estimated solutions for last resort housing.

There may be several possible solutions to comparable replacement housing for each displaced person. All possible solutions should be explored with the displaced person. Work to assist them in the decision-making and planning process for the replacement dwelling. Do not limit consideration of housing solutions to those that minimize WisDOT's administrative involvement. People who are displaced often have unique needs. Housing solutions may have to be creative and individualized in order to meet those special needs. Merely providing the displaced person more money to spend on housing may be administratively simple, but more expensive than other housing solutions and may not address housing needs other than affordability.

In addition, try to plan a solution that will accommodate a displaced person's long-term housing needs. Assistance in obtaining financing to purchase a home may be necessary and will help the person solve their long-term housing needs. Coordination with other public housing and social services agencies may be helpful and the opportunity for cooperative agreements should be explored. When a replacement dwelling has been offered to the displaced person under the procedures for last resort housing, WisDOT has an obligation to ensure that at least one comparable replacement dwelling is made available to the displaced person. Methods for providing housing of last resort are:

- Assistance in obtaining public housing.
- Change in occupancy status of the displaced person from tenant to homeowner when it is more cost effective to do so.
- Construction of a replacement dwelling.
- Rehabilitation and moving of an existing replacement dwelling.
- Removal of barriers to the disabled. There are many variations and combinations of techniques that can be used under this provision. This tool invites innovation in solving unique or complex replacement housing problems.
- RHPs in excess of Wisconsin's statutory limits as noted above.

When techniques other than exceeding the RHP are to be used, the regional RE management and statewide relocation facilitator should be consulted to provide direction and approval prior to relocation of the displaced person.

5.5.9.1 Last Resort Housing Payment

A rent assistance subsidy for a tenant under last resort housing is provided in two installments. The payment is split with the initial payment of \$8,000 made at the time the displacee occupies a qualified replacement dwelling; the remaining benefit amount is paid six months later. Should a tenant elect to purchase a dwelling to meet their needs, the entire amount of the tenant payment must be applied toward the down payment and purchase price of the house.