

**571—26.4(316) Replacement housing payments for tenants and certain others.**

**26.4(1)** Owner-occupants and tenant-occupants of sleeping rooms or of homes or of mobile homes who are displaced from the subject dwelling, in whole or in part, for not less than 90 consecutive days immediately prior to the initiation of negotiations for the acquisition of the subject property, and who occupy a decent, safe and sanitary replacement dwelling or replacement sleeping room within the time limits specified in Iowa Code section 316.5(2) and by these rules, may receive a rental replacement housing payment or a purchase down payment which does not exceed the payment limitations established by Iowa Code chapter 316 and by these rules.

Where a mobile home is acquired from an otherwise eligible displaced mobile homeowner who rents the site, the mobile homeowner shall be eligible for both a rental replacement housing payment for the site and a purchase down payment for the mobile home but not to exceed \$4,000 and the limitations established by Iowa Code section 316.6 and by these rules.

**26.4(2) Rental replacement housing payment.**

*a.* Rental replacement housing payments to relocatees eligible for a payment under Iowa Code section 316.6 and by these rules who elect to rent replacement housing shall be the difference, as determined by the agency, between the amount necessary to rent a comparable replacement home or mobile home and site, or mobile homesite or sleeping room for the next four years and the amount of rent presently paid but not to exceed the limitations established by Iowa Code section 316.6 and by these rules.

*b.* The amount necessary to rent comparable replacement housing may be determined by the agency by a schedule, the three comparable or other methods contained in 26.3(3), 26.3(4), 26.3(5) or 26.3(6).

**26.4(3) Determining the amount of rent presently paid.** For the purpose of determining a rental replacement housing payment the amount of rent presently paid shall be the actual rental paid by relocatees renting a mobile home and site or dwelling where the actual rental rate is reasonably equal to the economic rent of the subject dwelling as determined by the agency from market data.

*a.* The actual rental rate shall include any rent supplement supplied by others except when, by law, such supplement is to be discontinued upon vacation of the subject property.

*b.* If the actual rental rate is not reasonably equal to the average market rental for similar dwellings the actual rental rate shall be adjusted to the economic rent of the subject dwelling as determined by the agency from market data. For purposes of determining a rental replacement housing payment for a relocatee who is an owner-occupant of the subject dwelling the rent presently paid shall be economic rent for the subject dwelling as determined by the agency from market data.

**26.4(4) Determining comparability of replacement rental dwelling.** An otherwise comparable replacement dwelling shall not be considered a comparable replacement rental dwelling unless it is available at a rental rate within the financial means of the family or individual relocatee involved.

*a.* The rental rate shall not be considered within the financial means of the family or individual relocatee where the rental of available replacement housing exceeds 25 percent of the gross income of the family or relocatee plus the \$4,000 rental replacement housing payment for the next four years.

*b.* Gross income for this purpose shall include any rent supplements supplied by other except when, by law, such supplement is to be discontinued upon vacation of the subject property.

**26.4(5) Limitation of rental replacement housing payment to homeowners.** No rental replacement housing payment to a displaced homeowner eligible for a replacement housing payment under Iowa Code section 316.5 shall exceed \$4,000.

**26.4(6) Disbursement of rental replacement housing payments.** Replacement housing rental payments may be disbursed as a lump-sum payment.

**26.4(7) Purchase down payments.** Relocatees eligible for a payment under Iowa Code section 316.6 and by these rules who elect to buy replacement housing may receive a replacement housing payment as a purchase down payment in the amount of the down payment required by financial institutions for a conventional real estate loan all of which payment shall be applied in full to the purchase of a decent, safe, and sanitary comparable replacement home, or mobile home, or mobile home and site, or mobile homesite.

*a.* This payment shall include and reimburse the relocatee for reasonable and necessary closing costs incident to such purchase but not to exceed \$4,000 and the limitations provided in Iowa Code section 316.6(2) and by these rules.

*b.* An owner-occupant who elects to retain the subject dwelling for replacement housing purposes who is otherwise eligible to receive a purchase down payment shall be entitled to a payment under this section determined as provided in subrule 26.3(6) but not to exceed \$4,000.

**26.4(8)** Limitation on amount of combined rental replacement housing and purchase down payments. Within 18 months from the date of the required move, a relocatee who has previously received a rental replacement housing payment who is otherwise eligible may elect to receive a purchase down payment. Any amount received as a prior payment shall be subtracted from the amount of the subsequent payment for which the relocatee is eligible. In no event may any combination of such payments exceed \$4,000 and the limitations provided by Iowa Code section 316.6 and by these rules.