**CHAPTER IV. ACQUISITION AND RELOCATION**

1. **OVERVIEW**

The purpose of this chapter is to provide guidance to local CDBG grantees for properly completing acquisition of **real property**, **easements**, and **acquisition by leasing** (lease term is 50 years or more). Three different acquisition procedures that are applicable: voluntary acquisition, basic acquisition, and donation. The appendix provides sample letters, notices, and forms that are necessary to complete a proper acquisition.

**APPLICABLE REQUIREMENTS**

**Grantees planning CDBG-assisted projects that may involve either temporary or permanent displacement of local residents or businesses as a result of their acquisition activities should contact their Community Development Specialist for guidance on the federal requirements that apply.**

49 CFR 24 – Uniform Relocation Assistance and Real Property Acquisition Act (Uniform Act), which provides uniform procedures for the acquisition of real property for federal or federally assisted projects, and ensures the uniform and equitable treatment of persons and businesses displaced as a result of federal or federally assisted projects.

HUD Handbook 1378 explains and summarizes the Uniform Act and implementing regulations at 49 CFR Part 24 and delineates the requirements that are passed on to state CDBG programs and their grantees. The handbook can also be found online at: [HUD handbook](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/cpd/13780)

Consolidated Appropriations Act, 2014 **-** reinforces the inability of eminent domain to be implemented to acquire property on any economic development project involving CDBG funds.

1. **GRANTEE RESPONSIBILITIES**
2. Planning

Anti-displacement and Relocation Assistance Plan, Exhibit A – Every city or county submitting a CDBG application will be required to follow Commerce’s Anti-Displacement and Relocation Plan, Exhibit A.

The objective of the plan is to minimize the displacement of residents and businesses as a result of activities assisted with CDBG funds. The city further agrees that it will replace any low and moderate income housing that was demolished or converted due to a CDBG activity. These requirements are also required under federal code.

Funding Partners – Regardless of what other sources are funding a project, if CDBG funds are involved, the project will need to be in compliance with the provision of the Uniform Act.

**Note:** Not all funding sources require compliance with the Uniform Act.

Site Assessment – For every CDBG funded activity that involves either property acquisition or permanent easement, the City/ County or Special District will need to physically review the site to determine if there is currently a resident or business located at the site, and if the occupant(s) are owners or tenants.

Determination – For each acquisition activity, the grantee must determine whether the acquisition falls under voluntary, basic, or donation. This will determine how the transaction is governed by the Uniform Act.

1. Acquisition Determination
2. **Voluntary Acquisition**

The acquisition can be considered voluntary, and not subject to the stricter requirements of the Uniform Act if, in the case of an acquisition by a grantee or sub-recipient, ALL of the following conditions are present:

* the grantee or sub-recipient determines and informs the owner in writing that it will not use its power of eminent domain to acquire the property if negotiations fail to result in an amicable agreement; and
* no specific site or property is designated for acquisition, although the grantee or sub-recipient may have a general geographic area in mind; and
* the property to be acquired is not part of an intended, planned or designated project area where all or substantially all of the property within the area will eventually be acquired; and
* the grantee or sub-recipient informs the owner in writing of its estimate of the fair market value of the property.

The acquisition can also be considered voluntary, if, in the case of an acquisition by a sub-recipient that does not have the power of eminent domain, ALL of the following conditions are present:

* the sub-recipient determines and informs the owner in writing that it does not have the power of eminent domain, and therefore will not attempt to acquire the property if negotiations fail to result in an amicable agreement; and
* the sub-recipient informs the property owner in writing of its estimate of the fair market value of the property.

The required notices must be in writing and provided before the seller enters into the contract for sale.In those cases where there is an existing option or contract, the seller must be provided the opportunity to withdraw from the agreement after this information is provided.

If the acquisition will be voluntary, the following process needs to be followed and documentation submitted to IDC:

Step 1: Documentation indicating the property is not site specific to the project.

* The following are examples of appropriate documentation:
	+ - Letter from the acquiring agency indicating all the sites that can be used for the project.
		- Facility study or preliminary design professional report indicating other possible sites or locations

Step 2: A copy of the signed “Informational Notice” (Exhibit B) or Information Notice for agencies without the power of eminent domain (Exhibit C) must be sent by the acquiring agency to the property owner. The “Informational Notice” will need to indicate in writing that the agency will not use eminent domain to acquire the property (or does not have the power of eminent domain) and if negotiations fail an alternative location will be selected for the project. The Notice shall be sent certified or registered first class mail.

Step 3: Documentation indicating the basis for determining property value. One of the following methods can be used.

* Appraisal by an Idaho licensed Appraiser (preferred method).
* County Assessed Value (typically not more than two years old)
* A signed opinion of estimated value by a real estate professional along with an explanation of the basis for the reasonable means of the value, i.e. – sales comparison or cost approach.

Step 4: Documentation that the property owner was informed in writing of the property’s fair market value. See Voluntary Offer Notice (Exhibit D). The Notice shall be sent certified or registered first class mail.

Step 5: Additional documentation needed:

* Prior to Acquisition
* CDBG Environmental Clearance
* Commitment to Title Insurance Policy (if applicable)
* Preliminary Settlement Statement
* After Acquisition
* A signed copy of the Real Estate Purchase and Sale Agreement
* Recorded Property Deed
* Executed Settlement Statement

In cases involving voluntary acquisitions, property owners are not eligible to receive relocation assistance payments. However, tenants or occupants with no ownership interest of acquired property are eligible for relocation assistance. Contact your Community Development Specialist for guidance on the federal requirements that apply.

1. **Basic Acquisition**

If the acquisition does not meet the conditions of voluntary, then the process is subject to the stricter rules and regulations of the Uniform Act, and the following procedures should be followed:

Step 1: If property is currently inhabited by a business or resident (owner and/or tenant), contact your Community Development Specialist before proceeding. Further notification and reimbursement will be required than is covered in this chapter.

Step 2: Send Basic Acquisition Notice. A Basic Acquisition Notice (Exhibit E) must be sent by certified or registered mail to the property owner to inform the property owner of the grantee's intent to acquire the property and of the owner's basic protections under the Uniform Act. The notice should include information about conducting an appraisal, offering fair market value, not to vacate property, contact person, and rights under the Uniform Act. The grantee must also enclose a copy of HUD's information booklet, “When a Public Agency Acquires Your Property” (Exhibit F). This booklet is also available at [booklet link](https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_16278.pdf).

Step 3: Have Property Appraised to Determine Fair Market Value. Once the grantee has obtained preliminary title evidence, a boundary description, and a legal description of the property to be acquired, it should have the property appraised. The appraisal must be conducted by a licensed appraiser and be consistent with the Uniform Standards of Professional Appraisal Practice (USPAP). The property owner or his or her representative must be invited to accompany the appraiser during his/her inspection of the property. Contracting for appraisal services is subject to a procurement process.

**Note:** Under the Uniform Act, an appraisal is not required in the following situation:

* If the determination of valuation is uncomplicated and the fair market value is estimated at $10,000 or less, ($25,000 or less if HUD concurs) based upon a review of available data prepared by a person familiar with real estate values (with a written explanation of the basis for the estimate kept in the grantee's appropriate CDBG Project file).

Step 4: Have Appraisal Reviewed. After the initial appraisal is conducted, it must be examined by a qualified review appraiser. The review appraiser must examine the appraisal to check that the appraisal meets all applicable requirements, and to evaluate the initial appraiser’s documentation, analysis, and soundness of opinion. The review appraiser must certify that the appraisal and its process conformed to the Uniform Standards of Professional Appraisal Practice (USPAP) and 49 CFR 24.103. (See Exhibit Gfor a sample Appraisal review certification).

Step 5: Establish Just Compensation for the Property. The just compensation amount should not be less than the appraised value of the property.

Step 6: Make a Written Offer to the Owner. As soon as possible following the determination of just compensation for the property, the grantee should submit a written offer to the property owner. A written statement of the basis for the offer must be included with the written offer. (See Exhibit Hfor a sample Written Offer to Purchase)

* Owner Agrees – Mutual Agreement

In addition to purchase price, the City/County will need to reimburse Owner for all reasonable expenses necessarily incurred for:

* Recording fees, transfer taxes, and similar incidentals;
* Penalty costs and other charges for prepayment of any preexisting mortgages; and
* The pro rata portion of any prepaid real property taxes, allocable to the period after the grantee obtains title to the property.
* However, the grantee is not required to pay costs required solely to perfect the owner’s title.

Additional documentation needed:

* Prior to Acquisition
* CDBG Environmental Clearance
* Commitment to Title Insurance Policy (if applicable)
* Preliminary Settlement Statement
* After Acquisition
* A signed copy of the Real Estate Purchase and Sale Agreement
	+ - Recorded Property Deed
		- Executed Settlement Statement
* Owner Does Not Agree –
* Further Negotiation - Administrative Settlement – The purchase price for the property may exceed the amount offered as just compensation when reasonable efforts to negotiate an agreement at that amount have failed. A written justification for the administrative settlement must be submitted which includes supporting documentation (e.g. appraisals) for the increased purchased price. This documentation will be submitted to your IDC Specialist who will then determine to approve the administrative settlement based on the settlement being reasonable and in the public interest.
* Condemnation Procedures – In the event that the property cannot be acquired by negotiations, condemnation proceedings can begin. Any Grantee involved in a condemnation proceeding is strongly encouraged to work closely with their attorney to assure compliance with relevant state (Idaho Statute, Title 7 Chapter. 7) and federal laws.
1. **Donation**

An owner whose real property is to be acquired may, after being fully informed by the grantee of the right to receive just compensation for such property, donate the property or any part thereof to the grantee. The grantee must obtain a valuation of the real property unless the owner, in writing, releases the agency from such obligation.

The following steps must be followed to implement the donation method.

Step 1: Send the potential property donor a copy of “When A Public Agency Acquires Your Property**,”** by certified or registered mail,so as to ensure they were properly informed about their rights under the Uniform Relocation Assistance and Real Property Acquisition Policies Act.

Step 2: If after review of the “When a Public…” booklet and acknowledgment of their rights, the owner offers to donate their property, the owner will need to complete the Donation of Property by Owner, see Exhibit I.

Step 3: Determine fair market value of the donated property by appraisal unless the owner agrees to waive his/her right to an appraisal. If the appraisal is waived, the Appraisal Waiver Form, Exhibit J, must be executed.

Step 4: Copy of the recorded deed indicating property ownership.

The Grantee will need to document to IDC that all these steps were followed.

1. Relocation and Displacement Considerations

The federal requirements for displacement and relocation of households or businesses are complex and expensive and were intended to discourage the displacement of low and moderate income persons due to CDBG funded project. Displacement and relocation requires advanced notices, identifying replacement housing for occupants, reimbursement of moving cost, one to one replacement of low-to-moderate income housing, and additional housing allowance for low-to-moderate income households.

CDBG grant recipients are strongly encouraged to design their programs so as to avoid actual or potential displacement or relocation as part of their CDBG projects, hence the anti-displacement and relocation plan required with a CDBG application. Grantees who foresee or contemplate a displacement or relocation action as part of their project should contact their community development specialist for further guidance and the HUD handbook 1378 found online at: [HUD handbook](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/cpd/13780)

1. Other Considerations
2. Uneconomic Remnant. If the grantee acquires only a portion of the owner's parcel and the remaining portion(s) would have little or no utility or economic value, the agency must offer to acquire the "uneconomic remnant" as part of the total acquisition offer.
3. Rental Payments. If the grantee agrees to allow the owner to remain on the property for a period of time following payment for acquisition, it can charge the owner rent for an amount up to the fair market rent for the period during which the owner remains on the property. However, allowing the owner to remain on the property could kick in relocation payments.

**EXHIBITS**

 **Exhibit Name** **Page No.**

A. Idaho CDBG Anti-Displacement and Relocation Assistance Plan 9

B. Voluntary Informational Notice 13

C. Voluntary Information Notice (without Eminent Domain) 15

D. Voluntary Offer Notice 17

E. Preliminary Basic Acquisition Notice 19

F. When a Public Agency Acquires your Property 21

G. Appraisal Review Letter – sample 27

H. Written Offer to Purchase 29

I. Donation of Property by Owner 31

J. Appraisal Waiver Form 33

**EXHIBIT A**

**IDAHO COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM RESIDENTIAL**

**ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN**

It shall be the policy of the Idaho Department of Commerce (Commerce) to require units of general local government receiving Idaho Community Development Block Grant funding to follow the plan described below to minimize any adverse impacts on persons of low and moderate income resulting from acquisition and relocation activities assisted with funds provided under Title 1 of the Housing and Community Development Act of 1974, as amended, as described in 24 CFR Section 92.353 and 570.606(b)-(g).

This plan does not replace but is supplementary to the acquisition and relocation requirements stated in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Units of general local government may certify they will follow this plan or they can develop their own plan. If the local government develops its own plan, the plan must be approved by Commerce, adopted and made public.

1. **DEFINITIONS**

1. **“Standard Condition”** means a housing unit that meets the standards set forth in the Section 8 Program for Housing Quality Standards (HQS) (24 CFR 982.401) and all state and local codes and zoning ordinances.
2. **“Substandard suitable for rehabilitation”** means a housing unit, or in the case of multiple unit buildings the building or buildings containing the housing units, which have at least three major systems in need of replacement or repair and the estimated cost of making the needed replacements and the repairs is less than 75% of the estimated cost of new construction of a comparable unit or units.
3. **“Substandard not suitable for rehabilitation”** means any such housing unit or units for which the estimated cost of making the needed replacements and repairs is greater than or equal to 75% of the estimated cost of new construction of a comparable unit or units.
4. **“Comparable replacement dwelling unit”** means a dwelling unit that:
	1. Meets the criteria of 49 CFR 24.24.2(d)(1) through (6); and
	2. Is available at monthly cost for rent plus estimated average monthly utility costs that does not exceed the “Total Tenant Payment” determined under 24 CFR 813.107 after taking into account any rental assistance the household would receive
5. **“Low-income dwelling unit”** means a dwelling unit with a market rental (including utility costs) that does not exceed the applicable Fair Market Rent (FMR) for existing housing and moderate rehabilitation established under 24 CFR Part 888.
	* 1. **REPLACEMENTS OF DWELLING UNITS**
6. All occupied and vacant occupiable low-income dwelling units demolished or converted to a use other than as low-income housing as a direct result of activities assisted with funds provided under Title 1 of the Housing and Community Development Act, as amended, as described in 24 CFR Section 92.353 must be replaced on a one-for-one basis.
7. All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the unit of general local government will make public the following information by publishing it in a newspaper of general circulation or other acceptable means approved by Commerce and will submit said information in writing to Commerce:
	1. A description of the proposed assisted activity;
	2. The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low/moderate-income dwelling units as a direct result of the assisted activity;
	3. A time schedule for the commencement and completion of the demolition or conversion;
	4. The location on a map and the number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units. If such data is not available at the time of the general submission, the unit of general local government will identify the general location on an area map and the approximate number of dwelling units by size and provide information identifying the specific location and number of dwelling units by size as soon as it is available.
	5. The source of funding and time schedule for the provision of replacement dwelling units; and
	6. The basis for concluding that each replacement dwelling unit will remain a low/moderate-income dwelling unit for at least 10 years from the date of initial occupancy.
	7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units) is consistent with the housing needs of lower income households in the jurisdiction.
	8. The (name and phone number of the jurisdiction’s office responsible for relocation) is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in CFR 570.606 to any lower income person displaced by the demolition of any dwelling unit or the conversion of a low/moderate income dwelling unit to another use in connection with an assisted activity and is responsible for tracking the replacement of housing and ensuring it is provided within the required period.
8. The dwelling units must be located within the unit of general local government’s jurisdiction. To the extent feasible, the dwelling units shall be located within the same neighborhood as the units replaced.
9. The dwelling units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted. The number of occupants who could have been housed in the units shall be in accordance with applicable local housing occupancy codes. The units may not be replaced with smaller units (e.g., a two-bedroom unit with two one-bedroom unit units) unless the local government can demonstrate the proposed replacement is consistent with housing needs of lower income households in the jurisdiction.
10. The replacement units must be in standard condition and must, at a minimum, meet Section 8 Program Housing Quality Standards. Replacement low-income units may include units brought from a substandard condition to standard condition if:
11. No person was displaced from the unit; and
12. The unit was vacant for at least 3 months before execution of the agreement between the unit of general local government and their sub-grantee or the property owner
	1. The units must be designed to remain low-income dwelling units for at least ten (10) years from the date of initial occupancy. Replacement low-income dwelling units may include, but are not limited to, public housing or existing housing receiving Section 8 project-based assistance.
		1. **RELOCATION ASSISTANCE**

Relocation assistance will be provided, as described in 24 CFR Section 42.350 to each low/moderate-income household displaced by the demolition of housing or by the conversion of a low/moderate-income dwelling to another use as a direct result of assisted activities. Pursuant to CFR Section 42.350, a displaced person may choose to receive either assistance under the URA and implementing regulations at 49 CFR part 24 or assistance under section 104(d) of the Housing and Community Development Act of 1974, including advisory services, moving expenses, security deposits and credit checks, interim living costs, and replacement housing assistance. The unit of general local government will take the following steps to assist an eligible household:

1. Provide counseling to assist homeowners and renters to understand the range of assistance options available, utilizing existing housing counseling programs to the greatest extent possible;
2. Provide counseling and referral services to assist displaced homeowners and renter in finding alternative housing in the affected neighborhood; and
3. Work with area landlords and real estate brokers to locate vacancies for households facing displacement.
	1. **MINIMIZING DISPLACEMENT**

Consistent with the goals and objectives of activities assisted under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Section 104(d) of the Housing and Community Development Act of 1974, as amended, the unit of general local government or their sub-grantee will undertake a minimum of one of the following steps to minimize the displacement of persons from their homes:

* 1. Coordinate code enforcement with rehabilitation and housing assistance programs.
	2. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent placing undue financial burden on long-established owners or tenants of multi-family buildings.
	3. Stage rehabilitation of apartment units to allow tenants to remain during and after rehabilitation by working on empty units or buildings first.
	4. Establish facilities to house persons who must be relocated temporarily during rehabilitation.
	5. Adopt public policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.
	6. Adopt policies that provide reasonable protection for tenants faced with conversion to a condominium or cooperative.
	7. Establish counseling centers to provide homeowners and renters with information on the assistance available to help them remain in their neighborhood in the face of revitalization pressures.

The Idaho Department of Commerce hereby adopts this Residential Anti-Displacement and Relocation Assistance Plan for projects funded under the Idaho Community Development Block Program. This plan became effective June 1, 2018.

\_\_\_\_\_\_\_\_Signed\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_June 1, 2018\_\_\_\_\_\_\_\_

Bobbi-Jo Meuleman, Director Date

Idaho Department of Commerce

**EXHIBIT B**

(Agencies with Eminent Domain Authority, but will not use)

 **- VOLUNTARY ACQUISITION -**

 - Informational Notice **-**

(date)

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

 (City, County, other) , is interested in acquiring (an easement or property) you own at (legal description attached) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant program.

Please be advised that, (City, County, other) possesses eminent domain authority to acquire property (or easement), however, in the event you are not interested in selling your (easement or property), or if we cannot reach an amicable agreement for the purchase of your (easement or property), we will not pursue its acquisition under eminent domain.

Your (easement or property) is not a necessary part of the proposed project and is not part of an intended, planned, or designated project area where substantially all of the property within the area is to be acquired.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact (name)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (title)\_\_\_\_\_\_\_\_\_\_\_\_, (address)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (phone)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Sincerely,

(name and title)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT C**

(Agencies Without Eminent Domain Authority)

**- VOLUNTARY ACQUISITION -**

- Informational Notice -

 (date)

Dear \_\_\_\_\_\_\_\_\_\_\_:

 (agency) , is interested in acquiring (easement or property) you own at (legal description attached) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD).

Please be advised that (agency) does not have authority to acquire your (easement or property) by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your (easement or property), we will not pursue this proposed acquisition.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact

 ( name ), ( title ) ( address )

( phone )

Sincerely,

(name and title)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **EXHIBIT D**

**- VOLUNTARY ACQUISITION -**

- Voluntary Offer Notice **-**

 (date)

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

 (City, county, other) , is interested in acquiring (easement or property) you own at

 (legal description attached) as identified in our previous letter dated \_\_\_\_\_\_\_\_\_\_\_\_\_.

We are prepared to offer you ($ Dollars) to purchase your (easement or property). This amount represents the current market value of your property, as supported by (the appraisal or other valuation method).

This offer is based on the following terms and conditions (if applicable):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If you have any questions about this notice or the proposed project, please contact (name)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (title)\_\_\_\_\_\_\_\_\_\_\_\_, (address)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (phone)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Please contact us at your convenience if you are interested in selling your property.

Sincerely,

(name and title)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT E**

(Use of Eminent Domain is an Option)

**- BASIC ACQUISITION NOTICE-**

(date)

Dear \_\_\_\_\_\_\_\_\_\_\_:

 (City, County, other) , is interested in acquiring (easement or property) you own at

 (legal description attached) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant program.

The purpose of this notice is to inform you of your rights under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). Enclosed is a HUD brochure entitled “When A Public Agency Acquires Your Property”. This brochure provides useful information about the public acquisition of real property (real estate) under the URA. At this stage, your property is only under consideration for acquisition. This notice is not a contractual offer or commitment to purchase your property.

If your property is selected for acquisition, under the URA, you will have the right to receive just compensation for your property. In order to determine the amount of just compensation to be offered to you, an appraisal of your property would be required. In such a case, an appraiser will contact you to provide you an opportunity to accompany him or her on the inspection of your property. It would be in your best interest to accompany the appraiser during the property inspection so that you can point out any unique features of your property which should be considered in the valuation process and so that you can also answer any questions the appraiser may have.

For your information, (City, County, other) possesses eminent domain authority to acquire the property needed for this project, however, our goal is to attempt to negotiate amicable agreements for all property acquisitions prior to its use. If negotiations fail, acquisition under eminent domain may be considered.

If you have any questions about this notice or the proposed project, please contact (name)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (title)\_\_\_\_\_\_\_\_\_\_\_\_, (address)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (phone)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Sincerely,

(name and title)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Enclosure

**EXHIBIT F**

**When a Public Agency Acquires your Property Booklet**

**Introduction**

This booklet describes important features of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended (URA) and provides general information about public acquisition of real property (real estate) that should be useful to you.

Most acquisitions of real property by a public agency for a Federal project or a project in which Federal funds are used are covered by the URA. If you are notified that your property will be acquired for such a project, it is important that you learn your rights under this important law.

This booklet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you sell your property. Afterwards, it may be too late.

**General Questions**

**What Right Has Any Public Agency To Acquire My Property**?

The Federal Government and every State government have certain powers which are necessary for them to operate effectively. For example, they have the power to levy taxes and the power to maintain order. Another government power is the power to acquire private property for public purposes. This is known as the power of eminent domain.

The rights of each of us are protected, however, by the Fifth and Fourteenth Amendments of the U.S. Constitution and by State constitutions and eminent domain laws which guarantee that if a public agency takes private property it must pay "just compensation" to the owner. The URA provides additional protections, as explained in this booklet.

**Who Made The Decision To Buy My Property?**

The decision to acquire a property for a public project usually involves many persons and many determinations. The final determination to proceed with the project is made only after a thorough review which may include public hearings to obtain the views of interested citizens.

If you have any questions about the project or the selection of your property for acquisition, you should ask a representative of the Agency which is responsible for the project.

**How Will The Agency Determine How Much To Offer Me For My Property?**

Before making you an offer, the Agency will obtain at least one appraisal of your property by a competent real property appraiser who is familiar with local property values. The appraiser will inspect your property and prepare a report that includes his or her professional opinion of its current fair market value. After the appraiser has completed his work, a review appraiser will examine the appraisal report to assure that the estimate is fair and the work conforms with professional appraisal standards.

The Agency must offer you "just compensation" for your property. This amount cannot be less than the appraised fair market value of the property. "Just compensation" for your property does not take into account your relocation needs. If you are eligible for relocation assistance, it will be additional.

**What Is Fair Market Value?**

Fair market value is sometimes defined as that amount of money which would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy. In some areas a different term or definition may be used.

The fair market value of a property is generally considered to be "just compensation." Fair market value does not take into account intangible elements such as sentimental value, good will, business profits, or any special value that your property may have for you or for the Agency.

**How Does An Appraiser Determine The Fair Market Value Of My Property?**

Each parcel of real property is different and therefore no single formula can be devised to appraise all properties. Among the factors an appraiser typically considers in estimating the value of real property are:

* How it compares with similar properties in the area that have been sold recently.
* How much rental income it could produce.
* How much it would cost to reproduce the buildings and other structures, less any depreciation.

**Will I Have A Chance To Talk To The Appraiser?**

Yes. You will be contacted and given the opportunity to accompany the appraiser on his or her inspection of your property. You may then inform the appraiser of any special features which you believe may add to the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to insure that nothing of allowable value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property represent you.

**How Soon Will I Receive A Written Purchase Offer?**

Generally, this will depend on the amount of work required to appraise your property. In the case of a typical single-family house, it is usually possible to make a written purchase offer within 45 to 60 days of the date an appraiser is selected to appraise the property.

Promptly after the appraisal has been reviewed (and any necessary corrections obtained), the Agency will determine just compensation and give you a written purchase offer in that amount along with a "summary statement," explaining the basis for the offer. No negotiations are to take place before you receive the written purchase offer and summary statement.

**What Is In The Summary Statement Of The Basis For The Offer Of Just Compensation?**

The summary statement of the basis for the offer of just compensation will include:

* An accurate description of the property and the interest in the property to be acquired.
* A statement of the amount offered as just compensation. (If only part of the property is to be acquired, the compensation for the part to be acquired and the compensation for damages, if any, to the remaining part will be separately stated.)
* A list of the buildings and other improvements covered by the offer. (If there is a separately held interest in the property not owned by you and not covered by the offer (e.g., a tenant-owned improvement), it will be so identified.)

**Must I Accept The Agency's Offer?**

No. You are entitled to present your evidence as to the amount you believe is the fair market value of your property and to make suggestions for changing the terms and conditions of the offer. The Agency will consider your evidence and suggestions. When fully justified by the available evidence of value, the offer price will be increased.

**May Someone Represent Me During Negotiations?**

Yes. If you would like an attorney or anyone else to represent you during negotiations, please inform the Agency. However, the URA does not require the Agency to pay the costs of such representation.

**If I Reach Agreement With The Agency, How Soon Will I Be Paid?**

If you reach a satisfactory agreement to sell your property and your ownership (title to the property) is clear, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after you sign a purchase contract. If the title evidence obtained by the Agency indicates that further action is necessary to show that your ownership is clear, you may be able to hasten the payment by helping the Agency obtain the necessary proof. (Title evidence is basically a legal record of the ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens, and other instruments affecting your ownership of the property.)

**What Happens If I Don't Agree To The Agency's Purchase Offer?**

If you are unable to reach an agreement through negotiations, the Agency may file a suit in court to acquire your property through an eminent domain proceeding. Eminent domain proceedings are often called condemnations. If your property is to be acquired by condemnation, the Agency will file the condemnation suit without unreasonable delay.

An Agency may also decide not to buy your property, if it cannot reach agreement on a price, and find another property to buy instead.

**What Happens After The Agency Condemns My Property?**

You will be notified of the action. Condemnation procedures vary, and the Agency will explain the procedures which apply in your case.

Generally, when an Agency files a condemnation suit, it must deposit with the court (or in an escrow account) an amount not less than its appraisal of the fair market value of the property. You should be able to withdraw this amount, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.

During the condemnation proceeding, you will be provided an opportunity to introduce your evidence as to the value of your property. Of course, the Agency will have the same right. After hearing the evidence of all parties, the court will determine the amount of just compensation. If that amount exceeds the amount deposited by the Agency, you will be paid the difference, plus any interest that may be provided by law.

To help you in presenting your case in a condemnation proceeding, you may wish to employ an attorney and an appraiser. However, in most cases the costs of these professional services and other costs which an owner incurs in presenting his or her case to the court must be paid by the owner.

**What Can I Do If I Am Not Satisfied With The Court's Determination?**

If you are not satisfied with the court judgment, you may file an appeal with the appropriate appellate court for the area in which your property is located. If you are considering an appeal, you should check on the applicable time limit for filing the appeal and consult with your attorney on whether you have a basis for the appeal. The Agency may also file an appeal if it believes the amount of the judgment is too high.

**Will I Have To Pay Any Closing Costs?**

You will be responsible for the payment of the balance on any mortgage and other liens on your property. Also, if your ownership is not clear, you may have to pay the cost of clearing it. But the Agency is responsible for all reasonable and necessary costs for:

* Typical legal and other services required to complete the sale, recording fees, revenue stamps, transfer taxes and any similar expenses which are incidental to transferring ownership to the Agency.
* Penalty costs and other charges related to prepayment of any recorded mortgage on the property that was entered into in good faith.
* Real property taxes covering the period beginning on the date the Agency acquires your property.

Whenever possible, the Agency will make arrangements to pay these costs directly. If you must incur any of these expenses yourself, you will be repaid--usually at the time of closing. If you later discover other costs for which you should be repaid, you should request repayment from the Agency immediately. The Agency will assist you in filing a claim. Finally, if you believe that you were not properly repaid, you may appeal the decision to the Agency.

**May I Keep Any Of The Buildings Or Other Improvements On My Property?**

Very often, many or all of the improvements on the property are not required by the Agency. This might include such items as a fireplace mantel, your favorite shrubbery,

or even an entire house. If you wish to keep any improvements, please let the Agency know as soon as possible.

If you do arrange to keep any improvement, the Agency will deduct only its salvage value from the purchase price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his or her own expense.) Of course, if you arrange to keep any real property improvement, you will not be eligible to receive a relocation payment for the cost of moving it to a new location.

**Can The Agency Take Only A Part Of My Property?**

Yes. But if the purchase of only a part of your property reduces the value of the remaining part(s), you will be paid for the loss in value. Also, if any remaining part would have little or no utility or value to you, the Agency will offer to buy that remaining part from you.

Occasionally, a public project will increase the value of the part which is not acquired by the Agency. Under some eminent domain laws, the amount of such increase in value is deducted from the purchase payment the owner would otherwise receive.

**Will I Have To Pay Rent To The Agency After My Property Is Acquired?**

If you remain on the property after the acquisition, you may be required to pay a fair rent to the Agency. Such rent will not exceed that charged for the use of comparable properties in the area.

**How Soon Must I Move?**

If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for your property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at least 90 days advance written notice.

If you reach a voluntary agreement to sell your property, you will not be required to move before you receive the agreed purchase price. If the property is acquired by condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

If you are being displaced from your home, you will not be required to move before a comparable replacement home is available to you.

**Will I Receive Relocation Assistance?**

Title II of the URA requires that certain relocation payments and other assistance must be provided to families, individuals, businesses, farms, and nonprofit organizations when they are displaced or their personal property must be moved as a result of a project that is covered by the URA.

The Agency will furnish you a full explanation of any relocation assistance to which you may be entitled. If you have any questions about such assistance, please contact the Agency. In order for the Agency to fulfill its relocation obligations to you, you must keep the Agency informed of your plans.

**My Property Is Worth More Now. Must I Pay Capital Gains Tax On The Increase?**

Internal Revenue Service (IRS) Publication 544 explains how the Federal income tax would apply to a gain or loss resulting from the sale or condemnation of real property, or its sale under the threat of condemnation, for public purposes. If you have any questions about the IRS rules, you should discuss your particular circumstances with your personal tax advisor or your local IRS office.

**I'm A Veteran. How About My VA Loan?**

After your VA home mortgage loan has been repaid, you will be permitted to obtain another VA loan to purchase another property. Check on such arrangements with your nearest Veterans Administration Office.

**Is It Possible To Donate Property?**

Yes. You may donate your property or sell it to the Agency for less than its fair market value. The Agency must obtain an appraisal of the property and offer just compensation for it, unless you release the Agency from these obligations.

**Additional Information**

If you have any questions after reading this booklet, contact the Agency and discuss your concerns with the Agency representative.

Idaho Commerce

700 W. State Street

Boise, Idaho 83702

(208) 334-2470

ICDBG@community.idaho.gov

Buyer (City, County, District)

Name:

Address:

Phone Number:

Email:

**EXHIBIT G**

**Sample Appraisal Review Letter**

Date

Name

Address

Re: Appraisal Review

Dear\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I have reviewed the appraisal conducted by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_. Based on my review, it is my professional opinion that the subject appraisal was:

1. Consistent with the standards of the Uniform Standards of Professional Appraisal Practice (USPAP).
2. Met the five following requirements, as identified 49 CFR 24.103.
* An adequate description of the physical characteristics of the property being appraised;
* All relevant and reliable approaches to value consistent with established Federal and federally-assisted program appraisal practices;
* A description of comparable sales;
* A statement of the value of the real property to be acquired; and
* Effective date of valuation, date of appraisal, signature, and certification of the appraiser.
1. The appraisal met the following definition. A written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Date

**This boilerplate letter is provided for assistance only. It does not constitute legal advice and is not a substitute for the Grantee’s independent legal obligation to make sure Grantee fully complies with state and local legal requirements. If Grantee has any question about its legal responsibilities, it should seek the advice of a licensed attorney.**

**EXHIBIT H**

**BASIC ACQUISTION**

**Written Offer to Purchase**

Date

(name of property owner)

(mailing address)

(city, ID Zip)

Dear (name of property owner):

This letter serves as a written offer to purchase (easement or property) at (describe by location and address, as well as legal description) that our records indicate is owned by (name of seller). This property is to be used for (describe ICDBG activity).

We have had the property appraised by a licensed appraiser and the appraisal process reviewed and have found the valuation method to be well supported. Based on the appraisal the (name of grantee) hereby makes you a firm offer in the amount of ($\_\_\_\_\_\_\_\_\_\_) for the purchase of your (easement or property). In addition to the offered purchase price (name of grantee) will also reimburse you for reasonable closing cost associated with the transfer of the property.

Please contact \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with your decision regarding the purchase of your property or if you have any questions.

Sincerely,

Chief Elected Official

Enclosure: Appraisal and legal description

 Review Appraisal Document

**EXHIBIT I**

**Donation of Property by Owner**

The (City, County or other) has explained my/our rights and benefits as property owner(s) under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; and I/we have received a copy of the Housing and Urban Development (HUD) pamphlet, When a Public Agency Acquires Your Property. I/We have read this pamphlet and understand it.

I/We have offered to donate the (address and legal description) to the (County, City or other) on \_\_\_\_\_\_\_\_\_ 20\_\_\_. I/We have discussed with a representative of the (County, City or other) the compensation and other assistance required under the Act. I/We understand that I/We cannot be required to donate or sell the (property description) to the (County, City or other) for less that the appraised Fair Market Value and without other assistance to which I/we may be entitled to under the Act.

Property Owner's Signature

Date

**EXHIBIT J**

**Appraisal Waiver Form for Donated Property**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, recognize I have a right to have my property appraised and hereby waive my right of appraisal for the property I own at (address and legal desctiption). This waiver permits me to sell, or donate, my property, or a portion of it, to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the purpose of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and releases the acquiring party’s legal responsibility to have the property appraised for fair market value. This agreement does not constitute an agreement to buy or sell.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Property Owner’s Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date