

Chapter IX

ACQUISITION

INTRODUCTION

Missouri's CDBG grantees are required to comply with the acquisition and relocation policies and procedures as set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act), www.hud.gov/relocation. The most recent revision was published in the Federal Register on January 4, 2005 and became effective on February 3, 2005, (CFR) at 49 CFR Part 24. Also, under Section 104(d) of the Housing and Community Development Act of 1974, as amended, CDBG grantees have the responsibility to minimize the displacement of households that results from their CDBG funded project. If Federal financial assistance, CDBG funding, is used in any part of the project, the procedures of the Uniform Act governs the grantee's acquisition of real property for the project and any resulting displacement, even if local or private funds are used to pay the acquisition costs. CDBG acquisition and relocation guidelines are applicable to a project from the date of the grantee's pre-application public hearing. The public hearing is used by an applicant city or county to manifest their intention to apply for CDBG funds for their community development project and to meet the CDBG community participation compliance requirements.

NOTE ENVIRONMENTAL REVIEW COMPLIANCE: No project related acquisition may occur after the date of the pre-application public hearing until the Environmental Review process is completed and DED has issued the "Authority to Use Grant Funds".

Proposals submitted to the Missouri Water/Wastewater Review Committee are also subject to the DED environmental review requirements. Acquisitions may not occur after a proposal has been submitted to the MWWRC unless DED ER process has been completed.

The Uniform Act was passed to achieve the following public policy intent:

- 1) Encourage and expedite the acquisition of real property by amicable agreements between grantees and property owners;
- 2) Avoid litigation and relieve congestion in the courts;
- 3) Assure consistent treatment for property owners in Federal programs; and,
- 4) Promote public confidence in Federal land acquisition practices.

Relocation Assistance: The intent of the Act is to establish a uniform policy for fair and equitable treatment of persons that are displaced as a result of "federally-assisted" program. Relocation assistance must be provided as specified in the applicable provisions of the Uniform Act; or, if applicable, under Section 104(d) of the Housing and Community Development Act.

UNIFORM ACT APPLICABILITY

Property acquisition under the Uniform Act begins with the grantee's formal decision to "acquire" a specific property or properties for a CDBG-funded project. Compliance with the Uniform Act is required because anytime CDBG funds are used in a project it makes the project a "federally assisted" project. As such, the grantee's project acquisition activities becomes subject to the requirements of Subpart B of the Uniform Act, at 49 CFR 24. Typically, the acquisition and relocation regulations of the Uniform Act are applicable to a project from the

date of the grantee's pre-application public hearing. At the public hearing, the applicant publicly announces their intent to submit an application for CDBG funds for their proposed project. No type of acquisitions may occur until the applicant or grantee completes the ER process with DED. Also, proposals submitted to the Missouri Water/Wastewater Review Committee are subject to DED's environmental review requirements. Acquisitions may not occur after a proposal has been submitted to the MWWRC unless the DED Environmental Review process has been completed.

The UA applies to the following four types of project acquisitions, permanent easements and temporary easements necessary for the project; a parcel of land, a long-term lease of 50-years or more, and, rights-of- way.

The involuntary procedures of the UA apply when a grantee decides that ultimately it will use their power of eminent domain to acquire the land or easement should the Uniform Act acquisition process fail. The chart for that process is on page 19 and is also described in the second column on page 22.

Voluntary UA acquisitions are when the grantee or subgrantee will not or does not have eminent domain authority. When a grantee or a subgrantee does NOT intend to use their power of eminent domain or does NOT have the power of eminent domain, they should still follow the procedures of the Uniform Act such as providing an acquisition notice, appraising the property, and making a written offer to the property owner.

Please Note the Following:

Sample acquisition and relocation notices, brochures, and other applicable documents are provided in the appendix to this chapter and on the DED website at: www.ded.mo.gov
Sample Acquisition and Relocation documents may also be found at the HUD website: www.hud.gov/relocation

The Uniform Act does NOT apply to temporary easements (exclusively for the benefit of the property owner; that is, one that is "not necessary" for or directly related to the project.) It is not applicable when the acquired property is from a government agency; plus, the acquiring grantee does not have the power of eminent domain.

Voluntary vs. Involuntary Acquisition

Determine the type of acquisition involved:

If the right of eminent domain will not be used or does not exist, the acquisition is voluntary. In the event the acquisition negotiation with the property owner(s) is not successful, the grantee will stop or end the acquisition process. If the project acquisitions are all voluntary, refer to the "General URA Acquisition Process" chart in the appendix to this chapter, on page 22 for the acquisition process that the grantee or subgrantee should follow. This is the process that must be followed because the authority of eminent domain/condemnation will not be used.

When the grantee has the power of eminent domain and intends to exercise the right, if necessary, to complete property acquisitions for project implementation, the acquisition is, by nature, involuntary.

If acquisition and/or relocation activities are part of your CDBG project, the property owner of the land, easements or structure, that will be acquired, must be informed of their rights.

Property owner must be provided a preliminary acquisition notice letter and the HUD Uniform Act brochure or, if applicable, the DED/RD Easement brochure.

PROPERTY ACQUISITION PROCEDURES

Property acquisition under the Uniform Act (UA) is a sequential process that begins with the grantee's decision to acquire a specific property or easements for a project funded in part or in whole with CDBG. All project acquisitions made after the applicant's (application) public hearing date are subject to Subpart B of the Uniform Act, regardless of the source of funding for the acquisition activities. The Acquisition Process under the UA, as shown on the chart on page 19 of this chapter, shows the typical acquisition process under the Uniform Act in a basic 10-step process as listed below.

Ten Sequential Steps:

- 1) **Determine the acquisitions that are necessary for your CDBG project:** Review each of the project activities with the grant administrator, engineer/architect, grantee's staff, and the council or commission to determine the specific properties that must be obtained for your project. Acquisition deemed necessary for project implementation may include: a parcel of land for a water tower or for a sewer treatment site; a site and/ or building for a community center; permanent or temporary easements for water or sewer line activities; a long term lease (50 years or more); or, right of way(s) for a street or rail spur for an industrial park project. An acquisition is defined as either a purchase or a donation under the Uniform Act.
- 2) **Determine the Owner(s) of the Property:** Obtain title evidence, the deed and the legal description of the property. Review deed records held by Office of County Recorder to determine the actual property owner(s) and review the deed and legal description of the property to determine if there are any existing easements or liens. NOTE: CDBG funds may not be used to remove liens or to perfect the owner's title. Title defects must be cleared by and at the expense of the property owner(s), or with non-CDBG funds.
- 3) **Provide Preliminary Acquisition Notice and HUD Brochure to the Owner(s):** For full fee simple title, long term lease, and right of way acquisition provide the owner with a preliminary acquisition notice letter, and the HUD brochure, "When a Public Agency Acquires Your Property". The letter, inclusive of the HUD Brochure, must be sent either by regular mail, certified or registered mail with return receipt requested, or hand delivered. If delivered by regular mail or hand delivered the signature of the property owner and the date it was received is required to document receipt. Copies of the grantee's preliminary acquisition notice and all other acquisition letters and compliance records should be maintained in individual files established under the name of each property owner who donated or sold their property to the project. For permanent and temporary easement acquisitions provide the owner with the CDBG easement brochure. The brochure is the grantee's formal notice to inform the owners of their rights under the Uniform Act. The brochure must also be sent by either regular mail, certified or registered mail with return receipt requested, or hand delivered. If delivered by regular mail or hand delivered, the signature of the property owner and date received are required to be in their individual acquisition file. Copies of this combination notice/brochure and all other related acquisition records should be maintained in separate files established for each property owner.

The CDBG easement brochure must be provided to each property owner even if acquisition activities are funded by other agency funds, private or local match. The CDBG Easement brochure may be found in the appendix of this chapter. _

4) Donations: No provision of the Uniform Act (UA) regulation prevents a person, after being fully informed of their UA right of just compensation, based on a review of available data or an appraisal of their real property, from donating their property or easement to the grantee or subgrantee for a CDBG-assisted project. The property owner must also be informed of their right to accompany the appraiser during the appraisal visit. Because a property owner is entitled to just compensation under the Uniform Act, a donation should never be assumed; their willingness and intent to donate must be documented. A “Waiver of Just Compensation” form should be prepared by the grantee for the property owner’s signature after the property owner voluntarily agrees to donate their easement or parcel of land and/or building. Sample “waiver” forms may be found in the appendix of this chapter. The waiver should clearly state that the property owner understands that he/she cannot be required to donate the property or be required to sell the property to the grantee at less than the amount of the appraised value. The waiver should clearly indicate that the owner voluntarily agrees to donate. The waiver should clearly state the property owner’s intent to voluntarily release the grantee of its UA obligation to determine a just compensation amount based upon an appraisal, after being fully informed of their rights under the Uniform Act. Because a property owner is entitled to an appraisal or a determination of value before making a decision to donate, it is incumbent on the grantee to document that the owner was made aware of their appraisal right before obtaining the signed waiver. Although the property is donated to the grantee, the grantee is responsible for paying all costs and fees associated with the transfer of title and recording the property in the grantee’s or subgrantee’s name. Under the Uniform Act process, a property owner must not incur any costs, unless that costs pertains to the perfection of the owner’s title. Documentation requirements include a waiver signed by each property owner that states that they were made aware of their UA rights and intend to donate. The signed waiver must be kept in each property owner’s acquisition file by the grantee. The grantee must document that a property owner was fully informed of their UA rights by documenting their receipt of a DED/CDBG Project Easement Brochure, or the preliminary acquisition notice and the HUD brochure, When a Public Agency Acquires Your Property. Promptly record the donated property with the county’s Recorder of Deeds Office.

5) Appraisals and Review Appraisals: Both an appraisal and a review appraisal are required if the value of the property or easement exceeds \$10,000.

Property Value \$10,000 or less: An appraisal and review appraisal may also be used to determine the value of properties valued at \$10,000 or less, but they are not absolutely required when the estimated value is \$10,000 or less, under the UA. However, an official written determination of value is still required to be made in writing and filed in each property owner’s acquisition file, even when the estimated value is \$10,000 or less.

Appraisal: When an appraisal is required for compliance with the Uniform Act, the grantee must procure both a licensed Missouri appraiser and a review appraiser in accordance with the CDBG competitive proposal method. For a listing of licensed appraisers, you may contact the Missouri Department of Insurance, Financial Institutions & Professional Registration. No appraiser shall have an interest in the property to be acquired. A professional service contract,

that includes the requisite civil rights provisions in DED's Appendix 1, must be executed with both the project's appraiser and review appraiser. A sample HUD appraisal contract is available upon request from CDBG; however, DED recommends the use of the standard appraisal contract used by licensed Missouri appraisers. Include the Appendix 1 civil rights provisions as part of the appraiser's and the review appraiser's contracts. (See Chapter 6 Contract Management for Appendix 1) The Uniform Act requires the grantee or their appraiser to invite the property owner to accompany her/him during the appraisal inspection of their property. The Act also requires that the appraiser not consider race, color, religion, or the ethnic characteristics of a neighborhood in estimating the value of the property. The appraiser shall disregard any decrease or increase in fair market value of the real property caused by the project to the extent permitted by applicable state law. Both the appraisal and review appraisal must be maintained in the acquisition file for each individual property owner by the grantee. Under RSMO 339.535, State certified real estate appraisers and state licensed appraisers shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the appraisal standards board of the appraisal foundation. Therefore, an appraisal & review appraisal must meet the USPAP standards, under Missouri law.

The grantee must conduct a review appraisal of all completed appraisals. A licensed Missouri appraiser, independent of the first appraiser, must do the review appraisal. The review appraiser and the original property appraiser cannot be from the same firm. The review appraisal must be written. It should focus on the adequacy of the first appraiser's supporting data, methodology, and the soundness of the first appraiser's opinion of fair market value based on that information. The review appraisal is only a review and not a second full appraisal. The review appraiser should also provide a recommendation as to the fair market value of the property; this requirement should be addressed in the scope of work for the RFP and their signed contract. If the review appraiser's amount differs from the original appraisal, the grantee must: use the review appraiser's recommended fair market value; or, secure an additional appraisal; or, have the original appraiser correct their appraisal to be consistent with the review appraiser's report.

Under the Uniform Act, an Appraisal is NOT absolutely required if Donation & Waiver: Owner is donating the property and releases the grantee, in writing with a signed waiver of their UA appraisal obligation; or, \$10,000 or less in Value: Grantee determines that an appraisal is unnecessary because the valuation is uncomplicated and the fair market is estimated at \$10,000 or less, based on a review of "available data" (Section 24.102c (2) (ii)). "Available Data" may, for example, be the price per acre based on recent property sales of similar property in the area. Written Determination of Value: To document if a property has an estimated value of \$10,000 or less, a grantee must develop a written determination of value. It must contain supporting information, made by a "qualified person" familiar with the local property market values. Use a license real estate agent, broker, or another independent appraiser to develop the written determination of value for acquisition records for your project files.

DED/SEMA Flood Buyout Projects Appraisal Procedure: SEMA only requires a single appraisal to determine fair market value Appraisal and Review Appraisal Procedure for Jointly Funded SEMA/CDBG and similar CDBG-Only funded Buyout Projects: SEMA's appraisal policy may be followed for both types of buyout projects. SEMA requires only a single appraisal to determine fair market value. Therefore, SEMA's appraisal policy must be followed

when CDBG funds are used by a grantee as matching funds for a jointly funded acquisition and demolition buyout project. It may also be followed in a CDBG funded project with no SEMA matching funds. Please refer to the appendix in this Chapter for the SEMA/CDBG Appraisal and Review Appraisal policy.

Review appraisal = Desk Top Review & Property Owner Appeal: Jointly Funded SEMA/CDBG Buyout Projects: A grantee must follow SEMA's review appraisal policy in a jointly funded SEMA/CDBG buyout project. Here, a review appraisal is only required if the property owner decides to appeal the fair market value determination of the original appraisal by the grantee. The property owner will have to file a formal written appeal and include their own appraisal. The property owner's appraisal must meet Missouri's USPAP appraisal standards (MO Revised Statutes 339.535). In an appeal under a SEMA/CDBG jointly funded project, SEMA will provide the review appraiser to conduct a desktop review of both the grantee's appraisal and the property owner's appraisal. To be able to file an appeal, SEMA requires the property owner to formally agree that the review appraiser's determination of value will be final.

CDBG-Only Funded Buyout Projects: a grantee has two options: Follow the above SEMA Process: procured a review appraisal to do a desktop review of both the grantee's original appraisal and the property's owner's appraisal to make a final determination of the "market value" of that property. The review appraiser's determination of value is final for the purpose of the grantee's final offer to the property owner. Since this process is similar to SEMA's review appraisal process, the property owner must agree in writing to be bound by the review appraiser's decision as being the final determination of value. If the property owner does not agree in writing, then the grantee may withdraw their offer to the property owner because buyout projects are strictly voluntary for both the property owner and the grantee; or. Follow the standard Uniform Act appraisal and review appraisal process to determine fair market value. Follow the UA process as described at the beginning of Step 5, above.

6) Prepare Statement of the Basis for the Offer of Just Compensation: The amount of just compensation that is offered to the property owner cannot be less than the grantee's official determination of "market value." The grantee must then prepare and include with the offer letter a written "Statement of the Basis for the Offer of Just Compensation". (A sample may be found in the appendix of this chapter)

7) Issue Written Offer and the Statement for the Basis of Just Compensation: The next step is for the grantee to formally issue to the property owner both an Offer, in writing, to purchase the property, inclusive of the written "Statement of the Basis for the Offer of Just Compensation." The offer letter must specify the amount of the "offer", a date on which the negotiation for the sale of the property can begin, and should provide for a reasonable response date by the property owner. For acquisition purposes, 14 - 30 days is considered reasonable, UA Appendix A, 24.102(f). The property owner may accept the offer, reject the offer, or make a reasonable counter offer by the response date. A sample offer letter may be found in the chapter appendix.

8) Negotiations Under the UA:

Successful Negotiated Settlement of the Offer

If the initial offer is not accepted, the grantee should negotiate for the sale of the property. The owner **must** be provided a reasonable opportunity to respond to the offer, and to make a counter offer based on information the owner presents as relevant to determining the market value of the property. If the grantee accepts the counter offer, the grantee **must** have written documentation in its project files to show that the negotiated settlement amount was **reasonable, prudent and in the public interest.**

If CDBG funds are used to pay the acquisition cost, the grantee shall prepare a written justification to show that the available market information (e.g., appraisals, recent court awards, or estimated trial cost or condemnation hearing time and costs) supported the amount of the negotiated settlement inclusive of costs of the risk of trail (i.e., the time and legal costs of going through the condemnation process).

Every attempt should be made to negotiate an amicable agreement with the owner. If it is believed that the cost of the condemnation proceeding or resulting delays in project implementation would be greater than the additional amount being requested by the property owner, the owner's proposed higher value or a negotiated amount may be accepted, if it is a reasonable amount.

Unsuccessful Negotiation of the Offer: Send a "final offer letter" to the property owner that includes a final response deadline. The letter must not be coercive and the response deadline must be reasonable, i.e., 14 – 30 days. If the property owner fails to respond by the deadline, the grantee may exercise their statutory right of condemnation after the expiration of the response deadline that is stated in the final offer letter.

Condemnation can be more expensive than a negotiated price, and the grantee is required to pay the amount established by the condemnation commissioners or by the court in a condemnation proceeding or trial. For this reason, the grantee must determine and fully document the reasonableness of the costs of proceeding to condemnation.

NOTE: Coercive Actions are Prohibited: A grantee must not take any coercive action against a property owner in order to induce an agreement for the price to be paid for their property.

9) Transfer Title: Once an acquisition is successful or a condemnation proceeding is completed, the following tasks remain:

Record the transfer of ownership of the parcel or the easement to the grantee. The deed, easement, or the applicable form of the specific type of acquisition must be promptly recorded at the office of the County Recorder of Deeds.

Pay recording fees and other incidental acquisition fees. The grantee must pay for or reimburse the property owner for all reasonable costs incidental and associated with the transfer of title. These costs include, but are not limited to, recording fees, transfer taxes, evidence of title, and the legal description.

A grantee is not responsible for any costs required to perfect the owner's title.

10) Recordkeeping to Document UA Compliance: It is important that the grantee keep records sufficient to document compliance with the provisions of the Uniform Act. A recommended acquisition recordkeeping system is provided below. Every acquisition document, correspondence, or form required by the UA acquisition process must be found in each individual property owner's project file for a DED project monitoring review. Always maintain a separate file for each property owner.

HUD's Acquisition and Relocation Handbook 1378, 6-3 Recordkeeping Requirements specifies the following documents that a Grantee must maintain in each property owner's acquisition file:

UNIFORM ACT RELOCATION REQUIREMENTS

The Uniform Act specifies the relocation payments and relocation advisory services for which a displaced person is entitled. Displaced individuals, families, businesses, nonprofit organizations, and farm operations are covered by the Act. Any person displaced as a result of a project's CDBG- assisted rehabilitation, demolition, or acquisition activities, privately undertaken or public, is entitled to relocation payments and services specified under the Act because of the use of CDBG funds in the project. The following is a brief description of a displaced person's rights under the Uniform Act. Grantees should consult the DED Compliance Team staff concerning any questions about the application of the Uniform Act's relocation requirements to your project.

Relocation notices, claim forms, and other documents mentioned in this section may be obtained by request from DED or at: www.ded.mo.gov or at: www.hud.gov/relocation/publications. Refer to Note 1 on page 3 of this chapter for the steps to access sample letters, brochures, the HUD Handbook 1378, and other resource documents on both of these websites.

Maintain a separate file for each project relocation. Grantees may not propose that a displaced individual or family waive their relocation benefits under 49 CFR 24.207(f). However, a displaced household may waive their acquisition, but not their relocation UA rights. An individual or household may, after being fully informed of their Uniform Act acquisition rights, be allowed to voluntarily donate their property without just compensation and an appraisal under 24.108; or, they may donate in lieu of receipt of their entitled relocation benefits under the Uniform Act. Here, the property owner's acquisition waiver must be in writing.

In planning relocation activities, grantees should consider and rectify adverse impacts of displacement on minorities, the elderly, large families, and disabled persons where applicable. Also, the Uniform Act provides that the displaced person/family be provided the choice of relocating in their present neighborhood or other neighborhoods, consistent with the grantee's responsibility to affirmatively further fair housing (49 CFR 24.8(o), 24.205(a)(1), and 24.205(c)(2)(ii)(D)).

The following section contains the procedural steps that are typically followed to complete a project's Uniform Act Relocation Activities:

Document HUD National Objective in Each File: Use the "Individual File National Objective Determination" forms to document the LMI benefit and/or slum and blight national objective for each project acquisition, relocation, and demolition. These two forms may be found at the beginning of the appendix to this chapter. A grantee must have income verification documentation, and/or slum & blight criteria documentation in each property owner's and tenant's relocation file to document that each project activity met a HUD National Objective.

Rehabilitation/Demolition Infeasibility or Slum & Blight Determination: A family may be displaced as a result of a CDBG project's rehabilitation, acquisition, and/or demolition activities.

- a. For Demolition Activities/Slum & Blight National Objective: A "Slum & Blight National Objective" form must be completed and placed in the file of each family that receives relocation assistance to show that the HUD's slum and blight national objective determination was documented. Supporting documentation must be included to show that a slum and blight determination was made which

caused the resulting demolition and relocation activities to occur. Determination documentation may be the housing inspector's infeasibility write up or dangerous building or nuisance ordinance write up or SEMA or a local disaster recovery committee's damage assessment determination for a buyout project.

- b. For Rehabilitation/Acquisition Activities: A grantee must make an official determination that a house is not feasible to rehabilitate in order to provide relocation assistance. If the grantee's rehab inspector documents that a family's house is not feasible to rehabilitate to DED's health and safety HQS standards; and therefore, it must be demolished; that family is considered displaced.

A house is considered not feasible to rehabilitate if the housing inspector's cost estimate exceeds DED's rehabilitation cost limit of \$15,000, or \$15 per square foot to rehabilitate the home to DED's health and safety HQS standards. A grantee must maintain the inspector's written cost estimate and the completed feasibility determination form in the household's individual project files to show they have made an official feasibility determination. This determination must be made before issuing any acquisition and relocation notices.

Relocation Assistance Notice and Advisory Services Description:

Once a grantee has determined that a family will be displaced, the grantee must provide the displaced family with both a Notice of Eligibility for Relocation Assistance and with a general written description of the grantee's relocation assistance advisory services. The relocation notice and advisory services description may be included with the Preliminary Acquisition Notice.

HUD Relocation Brochures: The applicable HUD relocation brochure (and acquisition brochure, if applicable) must be provided with the preliminary acquisition and relocation notice(s). There following four HUD Relocation Brochures can be found at www.hud.gov/relocation

Relocation Assistance to Tenants Displaced From Their Homes

Relocation Assistance to Displaced Homeowners

Relocation Assistance to Displaced Businesses, Nonprofit Organizations, and Farms

Relocation Assistance to Tenants Displaced From Their Homes (Section 104(d))

Comparable Replacement Units Must Be Offered: At least three comparable replacement units must be offered to the displaced family in the Relocation Notice letter. One of the three comparables must be designated in the notice as the "most comparable replacement unit." The "asking price" for that unit will be used to determine the amount of the relocation assistance payment for which the family will be eligible, if they are displaced from a home.

If they are being displaced from a rental dwelling, the "most comparable" rental unit will be used to calculate the amount of the rental assistance payment for which the displaced household is eligible to receive. The specific amount of relocation assistance for which a displaced family is eligible to receive must be stated in the grantee relocation notice to that household.

Manner Required to Deliver the Relocation Notice Letter: All required Uniform Act notices must be sent by certified mail or hand delivered. Receipt of the notice letter by the property owner or tenant that will be displaced must be documented with a return or signed receipt.

Notice of Eligibility for Relocation Assistance: At the minimum, the relocation notice should inform the displaced person/family of the following:

- **90-Days at Minimum to Move:** Not required to move without, at the minimum, a 90-day written notice from the grantee, but may agree to move before the expiration of the 90-days.
- **Eligible Amount of Relocation Assistance:** State the eligible amounts of both relocation and moving expense payments, consistent with the requirement of the Uniform Act.
- **Offer a Specific, Available, DSS, Comparable Replacement Dwelling:** A person/family cannot be required to move unless the grantee has offered at least one available, comparable replacement unit that meets HUD's decent, safe, and sanitary standards (DSS). At the minimum, the Section 8 HQS housing standards may be used by a grantee to document that a dwelling met the HUD DSS Standards, under the UA.
- **Advisory Services:** The person/family is eligible for relocation advisory services, such as: help in filling out claim forms for relocation and moving expense payments, referrals to comparable replacement dwellings, transportation if necessary to inspect comparable replacement units, and a personal interview to determine their advisory service needs.
- **Appeal Rights:** The person has the right to appeal the grantee's determination of non-eligibility or the amount of moving and relocation payments through the grantee's adopted grievance process.
- **Grantee's Relocation Administrator:** Provide the name and telephone number of the grantee's relocation assistance administrator.

Moving Expense Payment: Displaced individuals, families, businesses, nonprofit organizations, and farm operations that are required to move because of a project's acquisition, rehabilitation, or demolition activities are eligible for a moving expenses payment, which is inclusive of utility disconnection and/or hookup costs. Anyone who is displaced, regardless of length of occupancy, is eligible to receive a moving expense payment. Under the Uniform Act, the displaced family has the discretion to choose between receiving a "fixed" moving expense payment or a payment for "actual" moving expenses. Grantee must have a completed, signed claim form in order to make a moving expense payment to a displaced family or individual.

- **Fixed Moving Expense Payment:** The amount of the "fixed" moving expense payment for individuals and families is based on a published U.S. DOT/HUD schedule, so please consult with your DED compliance specialist to obtain the most recent schedule (49 CFR 24.302).

www.hud.gov/relocation

- **Actual Moving Expense Payment:** The payment of "actual" moving expenses must be documented in each displaced person's file with copies of canceled checks and attached receipts 49 CFR 24.301(a)(ii).
- **Eligible Moving Expenses:** are transportation costs within 50 miles, packing, crating, storage, insurance, and other reasonable and necessary costs under the Uniform Act (49 CFR 24.301(g)).
- **Waiver of Moving Expense Payment NOT Allowed:** Moving expenses may not be waived by a displaced family. The back of the moving expense claim form must be used to explain who will pay for utility disconnection and re-connection fees and who will move the family's belongings, if a family refuses to file a moving expense claim. The displaced family must sign this form 24.207(f).

- **Relocation Assistance Payment:** Individuals and families are entitled to a relocation assistance payment for a comparable dwelling. The payment can take the form of rental differential, down payment, comparable replacement housing, or last resort housing assistance. Displaced businesses, nonprofit organizations, and farm operations are also entitled to a payment for relocation expenses.

- **Relocation Assistance Claim Form(s):** A grantee must receive a completed, signed relocation assistance payment claim form before a relocation assistance payment can be processed for a displaced individual or family. Claim forms may be found at the HUD website address cited in the first paragraph of the Relocation section of this chapter. The claim form must be reviewed and approved by the grantee prior to making payment to the displaced family.

Types of Standard Relocation Assistance Payments: The Uniform Act covers two basic classifications of displaced persons, which are tenants and homeowners. To be able to receive a relocation assistance payment, the homeowner and tenant must meet occupancy thresholds. Both homeowners and tenants must have resided in their residence for a minimum of 90-days prior to. Finally, four types of relocation assistance payments are allowed:

90-Day Homeowner Relocation Payment 49 CFR 24.401;

90-Day Tenant or Homeowner Relocation Payment 49 CFR 24.402 (NOTE: The replacement rental unit selected by the displaced person must be inspected by the grantee and found to meet HUD's decent, safe, and sanitary standards (DSS) at (24.2(a)(8) and 24.401(a)(2)));

90-Day Tenant Down Payment Assistance Payment 49 CFR 24.402c;
and Moving Expense Payment.

Replacement Housing of Last Resort 49 CFR 24.404: If the grantee formally determines that comparable replacement sale or rental housing is not available, then last resort housing may be provided to the displaced family by the grantee. A displaced family may also request that the last resort housing be placed on their existing lot. Last resort housing shall be provided on a reasonable cost basis.

Methods for Providing Replacement Housing of Last Resort: The activities for providing replacement housing of last resort assistance includes, but is not limited to:

- Rehabilitation of and/or additions to an existing replacement dwelling;
- Relocation to and, if necessary, the rehabilitation of a dwelling to DSS;
- Construction of a new replacement dwelling;
- Removal of barriers for persons with disabilities; or,
- Meeting the handicapped adaptability and accessibility design and construction requirements

Optional Relocation: Under Section 105(a)(11) of the Housing and Community Development Act, the State may permit a grantee to provide alternative relocation payments and other relocation assistance to persons displaced by a grantee's project activities. The assistance shall only be provided upon the basis of a uniform written policy that is publicly adopted by the

grantee. The adopted policy shall describe the relocation assistance to be provided on an equal consistent basis for each class of displaced families.

Re-establishment Expenses Payment: Small businesses, farm operations, or nonprofit organizations are eligible to receive a payment for expenses actually incurred in re-establishing their operation at the replacement site. Expenses must be documented and be reasonable and necessary. Please contact your DED Compliance Specialist for this claim form, HUD brochure, and the sample notice letter for this type of relocation, or download it from our website.

Advance Relocation Payments: If a person demonstrates the need for an advance relocation payment in order to avoid or reduce a hardship, the grantee shall issue the payment, subject to safeguards that are appropriate to ensure that the objective of the payment is accomplished.

Notice of Denial of Claim and Right of Appeal: The Uniform Act allows a relocation applicant the right to appeal a grantee's denial of eligibility of their relocation assistance claim, or to appeal the grantee's determination of the amount of relocation assistance. All grantees must incorporate this right of appeal in their project's adopted guidelines and grievance procedure.

RELOCATION ASSISTANCE RECORDKEEPING REQUIREMENTS

1. List of Occupants: For each project, the grantee's files shall include a list or lists identifying the name, address, and race/ethnicity, age, and gender if single head of household.
2. Project Contact Log: Maintain a contact log in the file of each displaced household.
3. Description of Relocation Advisory Services: A general description of the grantee's relocation advisory services for which the person may be eligible, including assistance to relocate to a comparable replacement dwelling, basic eligibility requirements, and procedures for obtaining payments. The grantee's advisory services may be described in the form of a booklet or flyer.
4. Offer 3 Comparable DSS Replacement Dwellings: File must contain an offer of 3 replacement properties with addresses, rent/utility costs or sale prices of the dwellings, and documentation to show they are currently available for sale or rent. Designate which property is the "most comparable replacement dwelling."
5. Decent, Safe, and Sanitary Inspections: Have copies of the inspection reports of the offered comparable replacement dwellings. The reports must show the date of inspection and that each dwelling met HUD's DSS Housing Quality Standards (HQS).
 - If the displaced family chooses a residence that was not offered by the grantee, that residence must be inspected by the grantee to ensure that it meets HUD's DSS standards. If it does not meet those standards, either it must be rehabilitated to meet the DSS HQS standards before the displaced family may move into it. However, if the renovations are cost prohibitive, the family must be provided the option of incurring the additional renovation costs; or, selecting another residence that does meet HUD's DSS standards.
6. File Retention Period: Relocation files should be maintained for a 5-years period after the close-out of the project by DED.

RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN REQUIREMENTS, SECTION 104(D) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Purpose: The Section 104(d) relocation requirements are designed to protect from depletion, by **demolition** or **conversion** to another use (e.g., parking lot, condos, strip-mall), the available stock of low/moderate-income houses or apartments caused by the activities of a CDBG assisted project. Therefore, grantees undertaking **any acquisition and demolition or rehab activities** must comply with these requirements, whether they are acquiring and rehabilitating an apartment building in to a condo; acquiring and demolishing several substandard occupied LMI houses for a strip-mall; or, demolishing a vacant, but occupiable residential structure that could be rehabilitated for a parking lot. The housing stock of LMI units must not be reduced by a CDBG-assisted project whether those LMI dwellings are occupied or vacant.

Section 104(d) “one-for-one replacement” requirements apply to structures that have been vacant for less than 12 months or occupied, but meets the statute’s definition of a LMI dwelling unit. That is, the dwelling is affordable to a LMI household, where the monthly rent or mortgage payment and average utilities do not exceed 30% of their household income. Therefore, a grantee is required to replace, on a one-for-one basis, any LMI dwelling unit that is demolished or converted as the result of a CDBG assisted project.

Public Policy: The policy purpose is to ensure the preservation of affordable housing stock for LMI households by encouraging their rehabilitation or replacement, when those dwelling units become subject to possible demolition or conversion with the use of CDBG funds in a project.

Section 104(d) CDBG Application Certification: Section 104(d) requires that before a CDBG grant can be awarded, a grantee **must** certify that it is following a “Residential Anti-Displacement Plan.” All grantees submit this certification in the form of their “Sample Plan” (Form N) with their CDBG grant application. However, should a Section 104(d) demolition or conversion occur during the implementation of your project, an amended Section 104(d) plan must be submitted to DED staff for review and approval, prior to the initiation of the demolition and/or conversion activities.

Steps for Section 104(d) Compliance:

A grantee must obtain CDBG review and approval of their amended plan prior to funds being drawn down for demolition, acquisition, and/or relocation activities. An Amended Section 104(d) Notice must also be published prior to the 104(d) activities. The grantee's amended plan must comply with the Section 104(d) one-for-one replacement requirements. Under the one-for-one replacement rule “all occupied and vacant occupiable low/moderate dwelling units that are demolished or converted to a use other than a low/moderate-income unit as a direct result of project activities assisted with CDBG funds must be replace with a low/moderate unit”. A vacant occupiable dwelling unit is defined as a unit that is in “standard condition (meets a federal or local HQS) or substandard condition, but suitable for rehabilitation and has been occupied within the 12 months preceding the date of the contract between the grantee and the property owner whose dwelling structure will be demolished or converted.

The State defines “substandard dwelling unit but suitable for rehabilitation” as the costs to rehabilitate the finished space of the unit to DED Health and Safety Standards. That cost may not exceed \$15,000 or \$15 per square foot of finished space.

Replacement Dwellings: In a DED redevelopment project, a grantee may rehabilitate a dwelling that has been vacant at least 90 days and use it as their Section 104(d) one-for-one replacement unit. The rehabilitated dwelling must be **affordable** to LMI households.

Affordable Replacement Unit: The unit must remain affordable to LMI households for at least 10 years. A unit is affordable if the mortgage or rent and average utilities do not exceed the current HUD fair market rent schedule; or, the rent and average utilities do not exceed 30% of a LMI family's household income. DED recommends that the rent and average utilities do not exceed 25% of a LMI family's household income so that the LMI family does not become economically burdened by those costs.

Exception to Section 104d One-for-One Replacement Rule: Section 104(d) provides for an exception to the one-for-one replacement requirement. The one-for-one replacement requirement will not apply if there is an adequate supply of **available**, vacant low/moderate-income dwelling units in standard condition in the grantee's jurisdiction.

To support an exception request, a grantee must provide DED with documentation of an excess supply of available vacant homes and/or apartments that are affordable to LMI families. Here, DED's finding of an "exception" is subject to HUD's review and approval.

Section 104(d) requirements not applicable when: Section 104(d) one-for-one replacement requirement do not apply to any LMI dwelling unit that has been vacant for more than 12 months. Therefore, in a DED demolition-only project, a grantee may only demolish substandard dwellings that have been vacant for more than 12-months.

Section 104(d) Relocation Assistance: Persons of LMI households who are displaced from their dwelling as a result of the demolition of any housing unit or the conversion of a low/moderate income unit to another use (e.g., condo or commercial use) must be provided with the following relocation assistance by the grantee:

1. Advisory services
2. Actual or fixed moving expenses as described in the Uniform Act
3. Reimbursement for reasonable and necessary security deposit and credit checks
4. Replacement housing assistance payment. The replacement housing assistance for a 180-day homeowner is identical to that discussed under the Uniform Relocation Act section of this chapter.
5. The grantee must offer a person choosing to rent the following relocation assistance:
 - Section 8 housing voucher/certificate and referrals to comparable replacement units where the owner agrees to participate in the Section 8 Program; or
 - Cash rental assistance to reduce the rent and utility cost to 25% - 30% of the gross household income for 60 months. Grantee must provide the displaced person or family with appropriate referrals to comparable replacement rental units.

Note: Document payment with a signed Section 104(d) claim form and a copy of the canceled check.

Uniform Act Relocation Down Payment Assistance Option: A displaced household may choose Uniform Act Relocation Assistance instead of the Section 104(d) relocation assistance described

above. Here, the 42-months of Uniform Act rental assistance may be used in lump sum as downpayment assistance to purchase a house that meets HUD's DSS HQS standards. The Uniform Act assistance is a viable option for displaced occupants who want to purchase a home rather than continue to rent. Section 104(d) regulation does not allow for the 60-months of Section 104(d) rental assistance payments to be used for the purpose of down payment assistance to purchase a home.

RE-USE PLANS

A lot or property re-use plan must be submitted by a grantee when a parcel or lot has been acquired and cleared by the grantee for future redevelopment. The reuse of the cleared lots must meet a HUD national objective and constitute a HUD eligible activity. The reuse requirement applies to both residential and commercial demolition projects.

If the acquisition and demolition activities are based on meeting the 51% LMI benefit national objective, the grantee must submit a reuse plan to DED to document that a LMI benefit will or has occurred. The reuse plan must be submitted and approved by DED prior to the grantee's reuse activity on the cleared lot/parcel. For example, the reuse plan states the cleared lots will only be donated to LMI families to build affordable homes on. After DED approves the grantee's reuse plan, then the grantee may begin to implement the activities of that plan.

For the "demolition-only" project, a reuse plan is not required because these projects are not designed for immediate post-project redevelopment.

With a commercial demolition project, a reuse plan is required if the redevelopment activity of that lot will immediately follow the project's demolition activity. In that reuse plan, the grantee must document that the demolition activity meets one of DED's slum and blight criterion and/or a LMI objective. For example, the cleared lot will be used to build a senior center, which meets the LMI limited clientele national objective; also, a senior center is a HUD/DED eligible activity.

DED must approve the reuse plan **prior to** the demolition/clearance activity.

CDBG MONITORING

In this, as in other compliance areas, DED is responsible for monitoring for compliance with applicable Federal and State laws and regulations. In conducting monitoring reviews of activities, DED's compliance staff will use the Acquisition and the Relocation Checklists from Chapter 1 of the Administration Chapter of this manual.

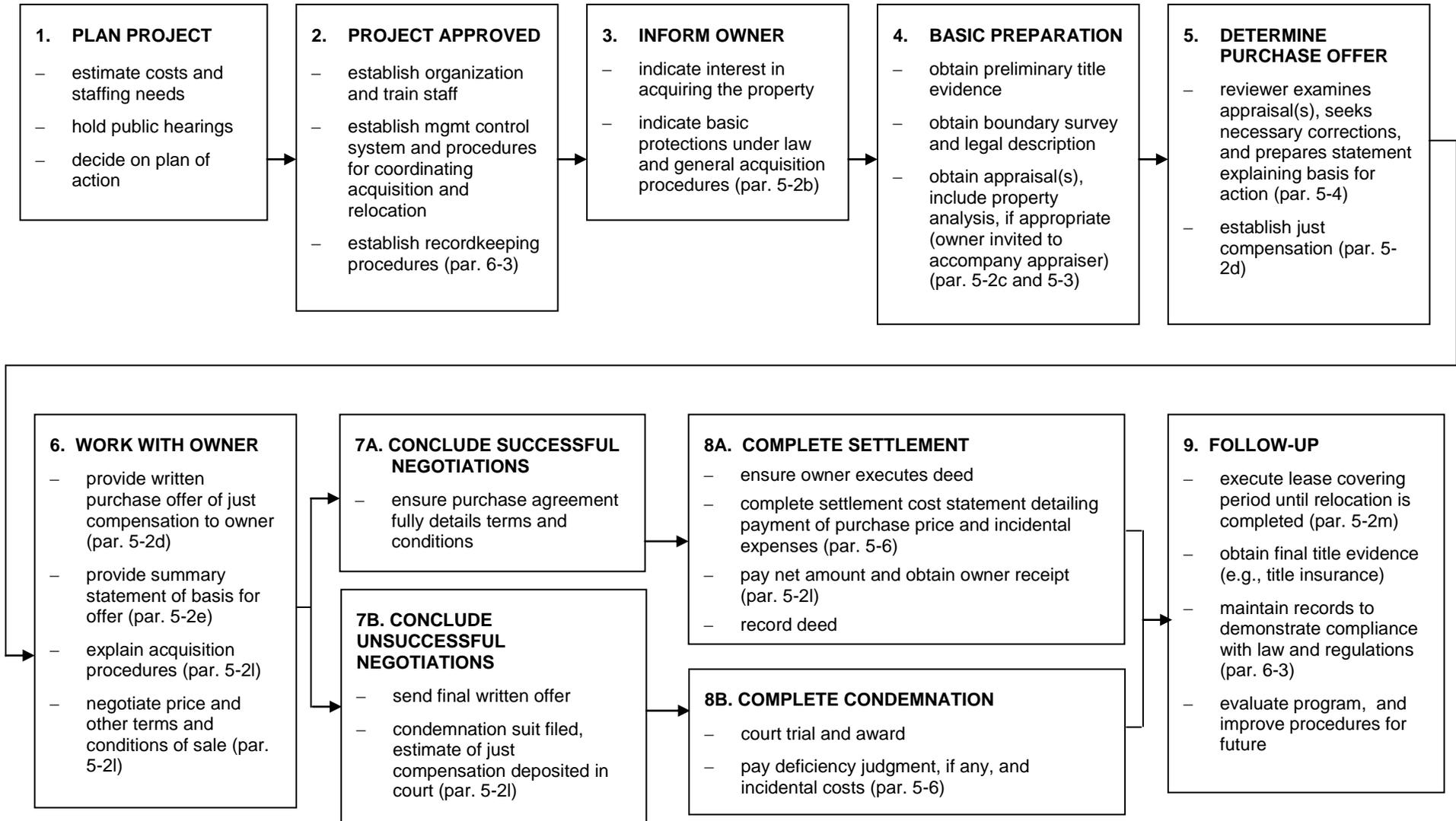
Please do not hesitate to call your CDBG Field Representative or the staff Acquisition Specialist regarding any questions you might have. Also, do not hesitate to download or call for brochures, claim forms, sample notices, or waiver forms. In addition to the forms and materials included or mentioned in this chapter, HUD & CDBG brochures, claim forms, and regulations are available at:

www.hud.gov/offices/cpd/library/relocation/publications

www.ded.mo.gov

ACQUISITION PROCESS UNDER THE URA*

Note: Paragraph numbers refers to HUD Handbook 1378



DED/CDBG PROJECT EASEMENT BROCHURE

Community Development Block Grant (CDBG) funded water and sewer improvements usually involve the installation or replacement of utility lines on the properties of existing or future customers. The donation of easements for these lines is a cost saving mechanism to successfully provide your community with safe water or safe waste disposal. To familiarize you with the donation process, we have prepared this informational brochure.

The donation of an easement, where federal funds are involved in a project, are governed by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. It is commonly referred to as the Uniform Act (UA). The procedures under the Act can be separated into five steps. They are:

1. Notice of Project
2. Notice of Uniform Act Rights
3. Donation & Recording Easement
4. Negotiation, if necessary
5. Eminent Domain, if necessary

NOTICE OF PROJECT

This easement brochure is your notice of our jointly funded CDBG public facility project and of our need for your easement as part of this project. To make the project more cost effective for all residents, you are respectfully asked to donate your easement for the benefit of this project.

NOTICE OF UNIFORM ACT RIGHTS

Under the Uniform Act, an easement owner has three basic rights:

6. Just Compensation
7. Appraisal & Review Appraisal
8. Right to Accompany Appraiser

Appraisals are not required for easements valued at \$10,000 or less, but a determination of market value must be made and documented.

DONATIONS

An owner may donate their easement for this project after being informed of the above Uniform Act rights.

The donation procedure is a very important tool for public agencies, since most have limited resources. Often, the value of the easement donation is more than offset by the future benefits received by the owner from

the publicly owned water or sewer utility that will be provided.

Easement owners, after having been informed of their Uniform Act rights, are asked to waive those rights and to donate their easement to the project. After agreeing to donate, the easement owner will be asked to sign a Waiver of both Just Compensation and Appraisal rights, and to formally record the easement at the office of the County Recorder of Deeds. The city, county, or district will pay the recording fees.

NEGOTIATION

Although an easement owner is not required to donate to receive the specific water or sewer service provided by the project, we strongly encourage donation for the public good. If you decide instead to request just compensation, you may accept the written offer of just compensation based on either an appraisal or a determination of value, or make a counter offer. In fairness to both property owners and taxpayers, offers must be based on the facts, which is an appraisal or written determination of the value of your property. If you present additional facts or items of value that were not considered in any valuation of your property, an adjustment will be considered and a revised offer may be presented to you. If the amount of just compensation cannot be reached through negotiation, then the laws of

condemnation/eminent domain will have to be exercised by the city, county, or district.

**CONDEMNATION/EMINENT
DOMAIN**

The state statutes allow a city, county, or district to acquire an easement by exercising their statutory right of condemnation. This process is initiated by the public agency filing a condemnation petition. If the court determines that the petition is proper, then three condemnation commissioners will be appointed to determine the value of the easement. The court-appointed commissioners, after considering the facts, make their determination of value and file their report with the clerk of the court. After their report is filed with the court, the local public agency must deposit the amount established by the commissioners with the circuit clerk. Exceptions to the commission's easement value may be filed by either the property owner or the public entity within 10-days of the filing the report, otherwise their amount of just compensation becomes final.

CONCLUSION

We strongly encourage you to donate your easement for the success of this project. Your donation will result in a more cost-effective public benefit to you and all of the users of this public facility project.

If you have any additional questions after reading this brochure, please contact the organization listed below:

Agency: _____

Address: _____

Office Hours: _____

Telephone Number: _____

Contact Person: _____

Property Owner's Signature:

**State of Missouri
Department of
Economic Development
State CDBG Program**

**Project
Easements**

For: _____

(Title of project Grantee or District)

Funded by: _____

(Grantee, District, CDBG, RD, DNR)

GENERAL URA ACQUISITION PROCESS

(Refer to 49 CFR 24 Subpart B for detailed acquisition requirements)

VOLUNTARY ACQUISITIONS 49 CFR 24.101(b)(1)-(5)	INVOLUNTARY ACQUISITIONS 49 CFR 24.101(a) & (b)
<i>Determine if proposed acquisition satisfies criteria and requirements of 24.101(b)(1)-(5). If acquisition doesn't meet criteria (e.g., is subject to threat or use of eminent domain), refer to involuntary acquisition process and comply with 49 CFR 24 Subpart B requirements.</i>	<i>Determine if proposed acquisition is subject to threat or use of eminent domain. If not subject to eminent domain, refer to voluntary acquisition process and comply with applicable requirements of 49 CFR 24.101(b)(1)-(5).</i>
24.101(b)(1) - Agencies with eminent domain authority but will not use: must meet all conditions of 24.101(b)(1)(i) – (iv). (see esp. 24.101(b)(1)(i) & (ii))	* Notify owner of agency's interest in acquiring property and protections under the Uniform Act (see 24.102(b)) (Optional: issue Notice of Intent to Acquire (see 24.203(d))
* Agency will not acquire property if negotiations fail, and owner is so informed in writing (see 24.101(b)(1)(iii))	* Appraise property and invite owner to accompany appraiser (see 24.102(c))
* Agency informs owner in writing of property's estimated market value (see 24.101(b)(iv))	* Review the appraisal (see 24.104)
* Owner/s & owner occupants not eligible for relocation assistance / displaced tenants may be eligible (see 24.2(a)(9)(iii))	* Establish estimate of just compensation for property (see 24.102(d))
24.101(b)(2) – Agencies or persons without eminent domain authority:	* Provide owner with written offer and summary statement for property (see 24.102(e))
* Prior to offer, inform owner unable to acquire if negotiations fail (see 24.101(b)(2)(i))	* Negotiate with owner for purchase of property (see 24.102(f))
* Inform owner of property's estimated market value (see 24.101(b)(2)(ii))	* If negotiations successful, complete sale and reimburse property owner for related incidental expenses (see 24.106)
* Owner/s & owner occupants not eligible for relocation assistance / displaced tenants may be eligible (see 24.2(a)(9)(ii))	* If negotiations unsuccessful, consider an administrative settlement (see 24.102(i))
24.101(b)(3) – Acquisition from a Federal agency, State, or State agency, if acquiring agency without eminent domain authority:	* If negotiations still unsuccessful, consider acquiring property through eminent domain.
* Owner/s & owner occupants not eligible for relocation assistance / displaced tenants may be eligible (see 24.2(a)(9)(ii))	* Displaced persons eligible for relocation assistance (see 24.2(a)(9)(i))

PRELIMINARY ACQUISITION NOTICE

May 19, 2016

Friendly Farmer Property Owner
700 Famer's Row
Village of Sunny Day, MO 64444

RE: 2015-PF-50 (Village of Sunny Day)

Dear Friendly Farmer Owner:

We write to inform you that the Village of Sunny Day has determined to acquire 5-acres of you farm land to be used to develop a land application treatment system for the city's sewer system. The city will be using Community Development Block Grant funds to upgrade its sewer system. The acquisition of easements for the sewer line part of this project will also be requested.

A HUD brochure is enclosed that describes your rights and the procedures the city will follow to acquire your property, under the Uniform Act (UA). Please be advised that you have the following rights:

- A right to "just compensation" based on an appraisal and review appraisal if your property's fair market value is more than \$10,000
- The UA procedures require that the city hire an independent, Missouri licensed or certified appraiser to appraise the value of the property we seeks to acquire
- You have the right to accompany the appraiser during the appraisal inspection of your property. A letter inviting you to accompany the appraiser will be sent by that appraiser at least five days prior to the inspection.
- However, where the value of the easement is estimated to be \$10,000 or less, the determination of value may be based on a review of available data, rather than by an appraisal.

If you have any questions regarding this acquisition, please call the city's grant administrator, Grants R Us, at 444-444-4444.

Very truly yours,

Malcolm Mayor

cc Grants R Us

Enclosures: When a Public Agency Acquires Your Property
MO DED CDBG Project Easement Brochure

Waiver of Just Compensation and Appraisal Rights

WAIVER OF RIGHTS AND BENEFITS OF THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, as amended, (42 U.S.C. 4601)(49 CFR PART 24)

I, _____, as owner(s) of title, understand that I am entitled to Just Compensation for my property based on an independent qualified appraisal or a written determination of market value under the Uniform Act provided by the City/County/Village of _____ for the following property:

(Attach or insert Property or Easement Description)

I hereby waive my rights under the Uniform Act, to Just Compensation, an appraisal, and the right to accompany the appraiser, and I donate the property described above.

For my parcel donation, I hereby acknowledge receipt of the HUD brochure "When a Public Agency Acquires Your Property."

For my easement donation, I acknowledge receipt of the DED/CDBG Easement Brochure.

Date

(Signature of Property Owner(s))

Subscribed and sworn to before me this _____ day of _____, 20__.

(Seal)

Notary

**WAIVER OF ONLY RIGHT OF JUST COMPENSATION
RETENTION OF APPRAISAL RIGHTS
UNDER THE UNIFORM RELOCATION ASSISTANCE AND REAL
PROPERTY ACQUISITION POLICIES ACT OF 1970, AS AMENDED,
(42 U.S.C. 4601) (49 CFR PART 24)**

I, _____, as owner(s) of title, understand that I am entitled to Just Compensation for my property. The _____ (city/county/village) has determined that the described property is considered to have a fair market value of \$_____ based on an appraisal. (or) For my easement donation, I acknowledge that the _____ (city/county/village) has provided me with a written determination of value of \$_____ for the easement described below:

(attach or insert legal description of easement or parcel)

- I acknowledge receipt of the HUD brochure, "When A Public Agency Acquires Your Property."
- For my easement donation, I acknowledge receipt of the DED/CDBG Easement Brochure.

Based my understanding of the rights and benefits under the Uniform Act as described in the above brochure(s) that I/We received, I/We hereby choose to waive all rights to Just Compensation under the Uniform Act and to donate the property described above.

Date)

Signature of Property Owner(s)

Subscribed and sworn to before me this _____ day of _____, 20_____.

(Seal)

Notary

STATEMENT OF THE BASIS FOR THE OFFER OF JUST COMPENSATION

Description and Location of Property

The Village of Sunny Day proposes to purchase 5 acres of land (Lots 8, Square 6, Downing Extension) from the owner, Mr. Friendly Farmer at 700 Farmers Row, Village of Sunny Day, Missouri.

Purpose of Purchase

The Village of Sunny Day intends to use the 5-acre parcel for the construction of a land application sewer treatment system and to purchase easements for the sewer lines as part of the city's Community Development Block Grant sewer system project.

Inventory

The land contains a one-story single-family, 800 square foot, residence of wood frame construction on a block foundation with a crawl space, hard board siding, and a shingled roof.

It contains a living room, kitchen, 2-bedrooms, and one bath.

Interior finish is carpet over plywood, except linoleum in kitchen and bathroom; paneled walls.

The kitchen has counters and painted wood cabinets. There are no built-in appliances.

Heat is gas-fired, 40,000 BTU floor furnace.

The house is 55 years old. Design is basic. Maintenance is fair.

The parcel is 5-acres.

Declaration of Offer

Based on the appraisal and review appraisal, the Village of Sunny Day hereby makes you an offer in the amount of \$47,500 for the purchase of your property. This offer is for the fair market value of your property and does not include any consideration of decrease or increase in value attributable to the project for which it is being acquired.

OFFER TO PURCHASE PARCEL/LAND

September 1, 2016

Mr. & Mrs. Friendly Farmer
700 Farmers Row
Village of Sunny Day, Missouri 64444

RE: 2015-PF-50 (Village of Sunny Day)

Dear Mr. and Mrs. Farmer:

We have previously informed you of the Village's interest in acquiring your property for our sewer treatment project. Based on our appraisal and review appraisal of your property, we have determined the value to be \$47,500. The Village hereby makes you a firm offer in the amount of \$47,500 for the purchase of your property.

We believe that the above offer accurately represents the fair market value of your property based on the appraisal. We urge your favorable consideration and acceptance.

If this offer meets with your approval, the Village's grant representative, Grants R Us, is prepared to purchase and record the property in the city's name. The Village would like to start construction of this project within the next few months; therefore, we ask that you contact Grants R Us no later than September 21, 2016, to arrange the final purchase.

You may call Grants R Us at 444-444-4444 or stop by and make an appointment at city hall.

If you have any questions, please do not hesitate to contact us at the above phone number.

Very truly yours,

Angela Pearl Mayor

cc Grants R Us

OFFER TO PURCHASE/EASEMENT

September 21, 2016

U. A. Property Owner
25 North Easement Row
Village of Sunny Day, Missouri 64444

RE: 2015-PF-50 (Village of Sunny Day)/Sewer line Extension

Dear U.A. Owner:

We have previously informed you of the Village's interest in acquiring an easement on your property for our sewer line extension project. Based on our review of recent property sales in your area, we have determined the value of the easement to be \$200. The Village hereby makes you a firm offer in the amount of \$200 for the purchase of the easement on your property.

We believe that the above offer accurately represents the fair market value of your property based on a review of available data (i.e., recent property sales in your area). We urge your favorable consideration and acceptance.

If this offer meets with your approval, the Village's grant administrator, Grants R Us, is prepared to purchase and record the easement in the city's name. The Village would like to start construction of this project within the next few months; therefore, we ask that you contact Grants R Us no later than October 12, 2016, to arrange the final purchase.

You may call Grants R Us at 444-444-4444 or stop by city hall and make an appointment to meet with us regarding the Village's offer.

If you have any questions, please do not hesitate to contact us at the above phone number.

Very truly yours,

Angela Pearl Mayor

cc Grants R Us

FINAL OFFER TO ACQUIRE PROPERTY

October 25, 2016

U. A. Property Owner
25 North Easement Row
Village of Sunny Day, Missouri 64444

RE: 2015-PF-50 (Village of Sunny Day)

Dear U.A. Owner:

We write to follow up on our original offer to acquire an easement on your property. In our September 21, 2016, offer letter, we respectfully asked that you respond by October 12, 2016, regarding your acceptance of the Village's offer of \$200 to purchase the easement on your property. We have not heard from you regarding our offer to purchase the easement.

The Village hereby offers \$200 for the purchase of the easement on your property for our sewer line project based on an appraisal and review appraisal of your property. The Village's offer is based on that recent appraisal. Please consider this letter the Village's final offer. Do not hesitate to contact us regarding any counter offer that you want to propose.

Again, we inform you that the Village must complete this project in a timely manner. Therefore, we are asking you to respond to our final offer no later than November 5, 2016, so that we can proceed with this project.

If we are unable to negotiate the acquisition of the easement from you by that deadline, the Village will find it necessary to exercise its statutory right of condemnation. It is our hope that we can amicably and successfully negotiate the acquisition of the easement.

If you have any question regarding the Village's offer, please do not hesitate to contact the Village's grant administrator, Grants R Us at 444-444-4444.

Very truly yours,

Margarita Figueroa Mayor

cc Grants R Us

APPRAISAL AND REVIEW APPRAISAL POLICY FOR JOINTLY FUNDED MISSOURI SEMA/CDBG BUYOUT PROJECTS & FOR SOLELY FUNDED CDBG BUYOUT PROJECTS

The Missouri Department of Economic Development will follow SEMA's appraisal and review appraisal requirements for jointly funded CDBG/SEMA projects, where CDBG funds are used as the 25% local match. For buyout projects solely funded with CDBG funds, where no SEMA funds are involved, a grantee may follow either the Uniform Act appraisal and review appraisal process, or follow the SEMA acquisition and review appraisal appeal process.

SEMA only requires a single appraisal to determine the market value of the home for the purpose of making an offer to purchase the dwelling from the property owner. Since buyout programs are voluntary programs, the grantee never uses their statutory authority of eminent domain to acquire the dwelling. Here, the property owner has a choice to either to: accept the grantee's offer, or, appeal the amount of the offer to a review appraiser; or, decide not participate or withdraw from the voluntary buyout project. If the property owner chooses to appeal the grantee's offer, they must provide their own appraisal with their formal appeal to the grantee's review appraiser. Both the grantee's and the property owner's appraisal must be done by a state licensed or state certified appraiser. Both appraisals must meet the state's USPAP appraisal standards.

The "review appraiser" will conduct a desktop review of both the grantee's original appraisal and the property's owner appraisal to determine market value. The review appraiser's determination of market value will become the final offer amount made to the property owner for the buyout of their property. Since the buyout is a strictly a voluntary program to help assist families or individuals to move from a flood plain, the review appraiser's determination of market value is the grantee's final offer. If the property owner refuses to accept the review appraiser's determination of value, the grantee and/or the property owner may withdraw from participating in the grantee's voluntary buyout program.

With jointly funded CDBG/SEMA buyout projects, SEMA already has a review appraiser under contract who will conduct the desktop review appraisal should a property owner elect to file an appeal of the grantee's determination of the value of their property during the buyout project.

With buyout projects that are solely funded with CDBG funds, the grantee will have to procure a review appraiser for the purpose of conducting a desktop review of any property owner's appeal of the grantee's buyout offer. Here, a grantee should not procure a review appraiser unless a property owner formally files an appeal of the original market value of the buyout offer made by the grantee, and the property owner agrees to accept the review appraiser's determination of value as final. The property owner's failure to agree will allow the grantee cease their participation in their buyout project with that property owner. Again, with a solely funded CDBG project (no SEMA funds), a grantee may elect to follow the acquisition, appraisal, and review appraisal process of the Uniform Act.

Finally, with a solely funded DED/CDBG buyout project, the grantee must inform the property owners at the beginning of the project, in their preliminary acquisition notice, that they will not use their statutory right of condemnation and that the buyout is strictly a voluntary program.

SUGGESTED ACQUISITION RECORDS

****ACQUISITION AND RELOCATION HELPFUL HINTS****

- ❖ URA applies from the date of your CDBG pre-application public hearing forward or as upon submission of proposal to MWWRC.
- ❖ Maintain a separate acquisition file for each property owner who is covered by the requirements of the Uniform Act and/or a Disaster Buyout project, or the Section 104 (d) Anti-Displacement Requirements.
- ❖ Acquisition requires the completion of the CDBG Environmental Review Process PRIOR to acquiring an easement or parcel with private funds, local match, or with CDBG funds.
- ❖ URA regulations apply regardless of who pays the acquisition costs when CDBG funds are used in your project.
- ❖ Remember to provide the HUD acquisition brochure, When a Public Agency Acquires Your Property, to the property owner in all instances to inform them of their URA rights.
- ❖ For acquisitions valued at \$10,000 or less, appraisals are not required; however, the grantee is still required to document in writing, with a valuation report/opinion, how the amount of the offer (market value) was determined (recent sales, assessor's appraisal, etc.). Have a written opinion of the property's value from a licensed realtor or appraiser in project file.
- ❖ Always promptly record the deed or easement immediately after the acquisition.