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# UNIFORM RELOCATION ACT (URA)

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# Agenda

- Key Resources
- When URA Applies
- Voluntary/Involuntary Acquisition
- Infrastructure Scenario – Subpart B
- Questions?

# Presenter

Les Warner, ICF



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# Uniform Act

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*Addresses the impact of federally-funded public improvement projects on persons*

## 49 CFR Part 24

- Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)
- Minimum standards for federally-funded programs/projects
- Triggered when real property is acquired or persons displaced as a direct result of acquisition, demolition, and rehabilitation
- Applies to government agencies, private organizations, and others
- Applies to full project if federal funds used in any phase
- SC is liable for subrecipient actions



# When URA Applies

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Applies to the whole project if federal financial assistance is used in any phase of a project involving:

- Acquisition
- Rehabilitation
- Demolition
- Infrastructure

Examples:

- Using non-federal funds to acquire easements for a CDBG water line project
- Rehabilitating senior center with non-federal funds, but using CDBG funds for Architecture & Engineering costs



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# When URA Applies

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## PURCHASERS

- CDBG Grantee
- Nonprofits & for-profits with federal assistance
- Agent or consultant (on grantee's behalf)
- Homebuyers with federal down payment assistance

## PURCHASE TYPES

- Fee simple title
- Permanent easements
- Temporary easements necessary for the project
- Life estate
- Long-term lease (50+ years)



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# Involuntary & Voluntary Acquisition

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## VOLUNTARY

- Non-essential parcels
- Streamlined process
- Cannot be followed by eminent domain

## INVOLUNTARY

- Essential parcels
- Subpart B criteria and processes
- Threat of Eminent Domain



# Poll Question

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If I am not acquiring property for my project but will be storing equipment and materials on private property during the project, do I still need to follow the URA acquisition process

☐ Yes

☐ No



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# Examples of Voluntary Acquisitions

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- Homeowners participate in a voluntary buyout program.
- Grantee is seeking to purchase a site for a library; no specific site is required
- Grantee is seeking to purchase vacant lots within a neighborhood to create drainage lagoons; a number of sites have been identified as workable.





# Types of Voluntary Acquisition

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49 CFR 21.101(b)(1) - Agency has power of eminent domain but will not use for acquisition

49 CFR 21.101(b)(2) – Subrecipient without eminent domain authority

49 CFR 21.101(b)(3) – Federal agency, State, State agency

**\*Acquisitions considered “involuntary” unless documented by issuance of the Voluntary Acquisition Notice**

**\*HUD Handbook 1378 provides sample voluntary acquisition forms**



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# Voluntary Acquisition and Relocation

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- Determine if the unit is owner- or tenant-occupied to assess the URA implications
- Owner Occupants not eligible for relocation benefits when the transaction is voluntary but tenants are always eligible
- Tenants eligible at the time of an agreement to purchase between buyer and seller



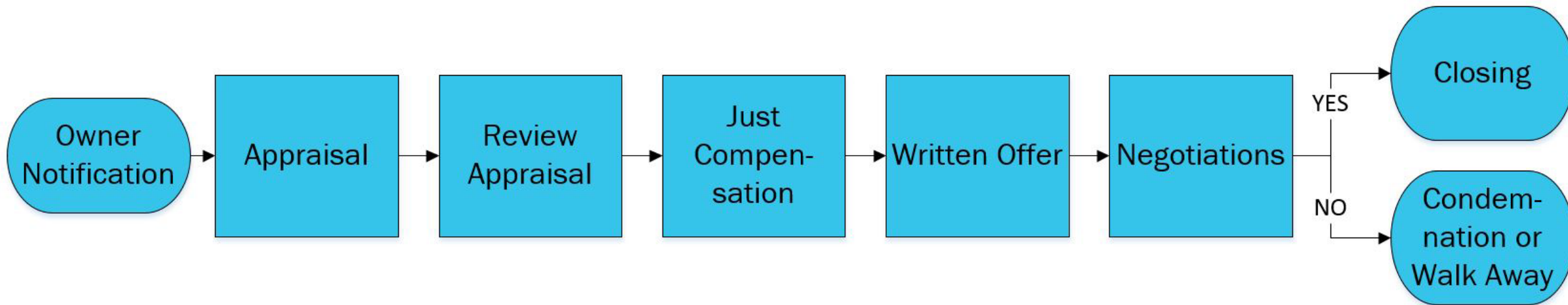
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# Involuntary Acquisition

Must comply with full Subpart B requirements of **49 CFR Part 24**



# Scenario : Infrastructure

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## Program Design

A community is installing a sewer line through an LMI neighborhood and connecting into existing main line to provide sewer service to neighborhood currently served by failing septic systems.

Community needs to acquire a permanent easement to cross a privately held property to connect into the existing main sewer line.

Project has public support and will provide a public benefit, but program will need to follow involuntary acquisition process because of the need for specific parcels

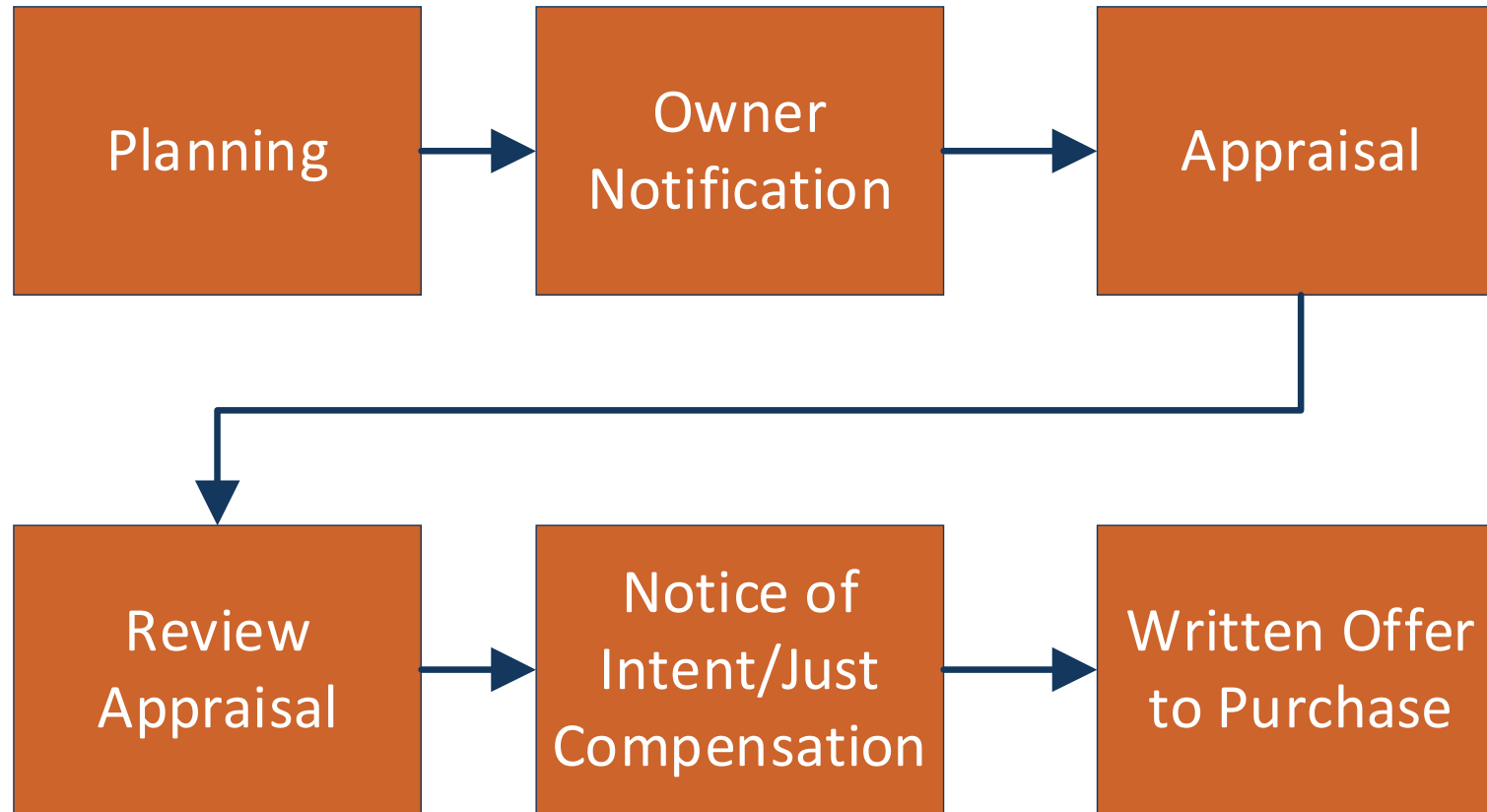
No structures will be acquired, and no owners or tenant will be displaced

Additional space is needed during construction to store heavy equipment and piping alongside the public right of way.



# Involuntary Acquisition

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# Step 1: Planning

Identify path of the sewer project and size of required acquisitions, including temporary work and site storage areas

Minimize displacement where possible

Identify appraisers and review appraisers – complete procurement process

Develop a budget and staffing plan for all aspects of the project including the URA requirements

Ensure that temporary easements follow URA acquisition requirements

Verify that project meets public benefit requirements for involuntary acquisition



## Required Documentation

- ✓ Map with project impact area, overlap of property ownership by parcel, and location of temporary and permanent easements
- ✓ Documentation and description of any project modifications to minimize displacement (where possible)



# Step 2: Owner Notification

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Issue notice to all impacted property owners (including temporary easements)

Provide overview of involuntary acquisition and the rights provided for owners whose property may be acquired for a federally funded project

Provide HUD brochure

If the property includes a structure, determine if it is tenant-occupied

Send General Information Notice (GIN) to all tenant-occupied units



## Required Documentation

- ✓ Notice to Owner – Notice of Interest or Notice of Intent
- ✓ HUD brochure “When a Public Agency Acquires your Property”
- ✓ Receipt of General Information Notice (GIN)



# Step 3: Appraisal

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If FMV is less than \$10,000: follow waiver valuation process

- GA should seek approval from the State prior to implementing waiver valuation process
- Waiver cannot be utilized when eminent domain may be required

If FMV is above \$10,000: complete an appraisal to determine the value for each acquisition

- See Handbook 1378 Appendix 19 (URA Guide for Preparing an Appraisal Scope of Work)
- Invite each owner to accompany the appraiser



## Required Documentation

- ✓ Owner Invitation
- ✓ Appraisal
- ✓ Documentation of basis of waiver valuation





# Waiver Valuations Process

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Waiver Valuation: appraisal not required when valuation is uncomplicated, and the market value is estimated to be \$10,000 or less based on a review of available data.

Documentation includes:

- Address of the property to be acquired
- Method used to determine value and estimate of market value
- Name of the person making the valuation
- Any other notes or conditions applicable to the analysis.
- Waiver valuation signed and maintained in recipient file

Note: GA must ensure the person performing the waiver valuation has sufficient understanding of appraisal principles and the local real estate market to be qualified to estimate the property's value.



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# Poll Question #2

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My project includes two easements, but I have already been told by the owners that they would like to donate the easement. Since they are voluntarily donating can I simply follow the voluntary acquisition process?

- Sure – this just got a lot easier
- No – if I need the easement to complete the project, I can't accept donations
- No – I must follow the involuntary process if I need the specific easements, but I can allow the owner to donate the easement once they have been fully informed of their rights under URA.



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# Step 4: Review Appraisal

Review appraisal required for all acquisitions without waiver valuation

Examines the assumptions and appraisal decisions used to present and analyze the market data

Reviewer makes value adjustments if needed

New appraisal may be required if significant issues arise

Valuation process is critical to establish the value and may be part of future court review if property goes through the condemnation process



## Required Documentation

- ✓ Credentials of the review appraiser
- ✓ Review appraisals
- ✓ Documentation of review appraiser and adjustments



# Step 5: Just Compensation

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Justification for the amount to be offered as compensation for the acquisition

Valuation statement must be issued by the program rather than delegated to a consultant

Can exceed FMV determined by the appraisal process reflecting a negotiated value or administrative settlement

Administrative settlement must be reasonable, expedite the agreement, and demonstrate savings over a court-based settlement



## Required Documentation

- ✓ Notice of Just Compensation
- ✓ Summary Statement of the Basis of the Determination of Compensation
- ✓ Justification of any amount in excess of appraisal valuation
- ✓ Administrative settlement, if completed



# Poll Question #3

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I am following the involuntary acquisition process to purchase a specific site for a retention pond as part of my drainage plan. An appraisal and review appraisal have been completed and I have issued a Notice of Just Compensation and a written offer to the owner with a value of \$75,000 for the lot. The owner has responded back to me that they will not take a penny less than \$125,000. Can I go ahead and pay that amount to get the project moving?

- ☐ Yes
- ☐ Not without a clear justification and approval from Commerce.



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# Step 6: Written Offer

Issued to the property owner based on statement of Just Compensation

Closing can proceed if owner accepts written offer or agrees to negotiated updated amount

If the offer is not accepted and no reasonable negotiation can settle the difference, file paperwork with the courts to proceed with condemnation

Make a deposit with the courts based on Just Compensation



## Required Documentation

- ✓ Notice of Just Compensation
- ✓ Written Offer
- ✓ Sales agreement
- ✓ Closing documents



# Poll Question #4

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I have followed the involuntary process through negotiations and was unable to finalize the sale with the owner. I have filed with the court to proceed through condemnation. Is it possible that the court will award the owner a higher sale price than I determined as just compensation?

- ☐ Yes
- ☐ No



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# Infrastructure Documents

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## Required Documentation

- ✓ Notice to Owner, HUD brochure, and receipt
- ✓ Owner Invitation to the Owner
- ✓ Appraisal and Review Appraisals
- ✓ Documentation of basis of waiver valuation
- ✓ Notice of Just Compensation
- ✓ Summary Statement of the Basis of the Offer of Just Compensation
- ✓ Justification of any amount in excess of the appraisal valuation
- ✓ Written Offer
- ✓ Sales agreement
- ✓ Closing documents
- ✓ Documentation of public benefit





# Resources

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## REGULATIONS AND GUIDANCE

- 49 CFR Part 4  
<https://www.govinfo.gov/content/pkg/FR-2005-01-04/pdf/05-6.pdf>
- 1378 Handbook  
<https://www.hudexchange.info/resource/310/hud-handbook-1378-tenant-assistance-relocation-and-real-property-acquisition/>

## ONLINE RESOURCES

- URA Forms  
<https://www.cdbgsc.com/forms/acquisition/>
- Chapter 10 Acquisition of Real Property
  - <https://www.cdbgsc.com/wp-content/uploads/2018/11/Chapter-10-Acquisition-REV-10-18.pdf>
- HUD URA Online Training series  
<https://www.hudexchange.info/trainings/ura-the-hud-way/>



# Questions

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