CHAPTER 6
ACQUISITION

TABLE OF CONTENTS

Page

6.0 INTRODUCTION 2

6.1 KEY POLICIES 3

6.1.1 REAL PROPERTY 3
6.1.2 ENVIRONMENTAL REVIEW AND ACQUISITION 4
6.1.3 PROCUREMENT AND ACQUISITION 4
6.1.4 CONDEMNATION 5
6.1.5 DOCUMENTING COMPLIANCE FOR ACQUISITION ACTIVITIES 5

6.2 METHODS OF ACQUISITION 7

6.3 STEP-BY-STEP PROCEDURES 8

6.3.1 DETERMINING VOLUNTARY OR INVOLUNTARY ACQUISITIONS 8
6.3.2 STEP-BY-STEP – VOLUNTARY ACQUISITIONS 9
6.3.3 STEP-BY-STEP PROCEDURES – INVOLUNTARY ACQUISITIONS 10

6.4 REFERENCES AND GUIDANCE 12

RESOURCES 13

CHAPTER 6
ACQUISITION

6.0 Introduction

TxCDBG-funded projects are subject to both the acquisition and relocation requirements of the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970, 42 U.S.C. §§4601 *et seq*., and the federal regulations found in 49 CFR Part 24. See also Section 104(d) of the Housing and Community Development Act of 1974 and its implementing rules at 24 CFR Part 42 regarding relocation assistance policies for HUD-funded programs.

The URA provides for uniform and equitable treatment of persons displaced from their homes, businesses, or farms as a result of rehabilitation, demolition, or private acquisition carried out under federally assisted programs. The URA also establishes equitable land acquisition policies.

Relocation requirements of the URA are discussed in the relocation guidelines available on the HUD website.

The Uniform Relocation Assistance Act:

- Ensures that owners of real property acquired for federal and federally assisted projects are treated fairly and consistently, to encourage and expedite acquisition through agreements with such owners, to minimize litigation and relieve congestion in the courts, and to promote public confidence in federal and federally assisted land acquisition programs;
- Ensures that persons displaced as a direct result of federal or federally-assisted projects are treated fairly, consistently and equitably and do not suffer disproportionate injuries as a result of projects that benefit the public as a whole; and
- Ensures that acquiring/condemning authorities implement these regulations in an efficient and cost-effective manner.

General Requirements

HUD's *Tenant Assistance Relocation and Real Property Acquisition Handbook*, otherwise known as Handbook 1378, provides thorough guidance on real property acquisition procedures required under the URA. If there are questions whether URA applies to a specific situation, please consult TDA staff.

Ultimately, the Grant Recipient is responsible for ensuring compliance with all URA requirements. However, this does not prevent another entity, such as a water supply corporation, from acquiring real property for the grant-funded project. The term **acquiring entity** refers to the entity performing the acquisition or under whose authority the acquisition is performed.

URA acquisition rules apply whenever an acquiring entity:

- Undertakes the purchase of property directly,
- Provides a nonprofit or for-profit entity with funds to purchase the property,
- Hires an agent or consultant to act on its behalf in acquisition,
- Undertakes acquisition on or after a TxCDBG application submission date unless the acquiring entity demonstrates that the acquisition was unrelated to the proposed activity, or
- Undertakes an acquisition before the application submission date and the acquisition was intended to support a subsequent TxCDBG activity.

URA Acquisition rules apply to TxCDBG projects when acquiring:

- Fee simple title to the property,

- A permanent easement necessary for the project,
- Certain temporary easements necessary for the project,
- Properties subject to a life estate or a life use, and
- Property that is leased for a term of 15 years or more.

The URA does **not** apply to the following:

- Temporary easements needed solely to perform work intended exclusively for the benefit of the property owner;
- Private-to-private acquisition. The private development part of the project is considered separate, therefore, the acquisition of one private entity from another private entity which is entirely for private use is not considered to be subject to URA. However, if TxCDBG funds are invested in public infrastructure to support that private enterprise, any acquisition with respect to that public infrastructure is subject to URA; or
- Some TxCDBG projects that are also funded by either the Tennessee Valley Authority or the USDA Rural Utilities Service, with written mutual consent of both HUD and the other federal department or authority.[1] Relocation assistance procedures still apply for persons displaced due to the acquisition.

As required by law, each property owner must be properly informed of their rights, and the acquiring entity must document compliance with the laws and regulations. Each property owner is entitled to the payment of just compensation for their land, even if they are a direct beneficiary of the project.

Before requiring the property owner to surrender possession of the real property, the acquiring entity must make an offer of just compensation to the owner.

If the acquisition of only a portion of a property would leave the owner with an uneconomic remnant of the property, the acquiring entity must offer to acquire the uneconomic remnant along with the portion of the property needed for the project.[2]

6.1 Key Policies

6.1.1 Real Property

All public improvements or activities related to an eligible TxCDBG project must be constructed on real property that is publicly owned, owned by the subrecipient/partnering entity to the grant, or recorded as a right-of-way or easement. Real property in the context of acquisition refers to permanent interest in real property as well as certain less-than-full-fee interests in real property.

NOTE: A lease term for less than 15 years does not satisfy HUD's standard for real property acquisition and therefore does not meet the TxCDBG program's interest in property requirement.

Improvements constructed on property that is not publicly owned, owned by a partnering entity such as a water supply corporation, or recorded as a right-of-way or easements are not eligible TxCDBG projects.

In general, permits and licenses, such as railroad permits, do not constitute real property acquisitions and, therefore, are not subject to the URA requirements. In distinguishing whether a permit/license is an actual easement, the Grant Recipient should carefully consider such factors as the cost of the permit or license, its term, whether the license/permit is revocable at will, and/or whether there is a transfer of

[1] 49 CFR §24.101(b)(5)
[2] 49 CFR §24.102(k)

interest in the property. If there is a question of whether the permit or license should be considered an easement, Grant Recipients should seek legal counsel.

A description of the real property acquisition required for the project is included in the TxCDBG Grant Agreement Performance Statement. Any changes to this description must be approved by TDA and may require an amendment.

6.1.2 Environmental Review and Acquisition

Do NOT acquire real property for a TxCDBG project prior to completion and clearance of the environmental review.

A contract to purchase or lease property for a TxCDBG project before the environmental review is completed is considered a commitment of funds and a choice-limiting action and must be avoided until after the environmental review process is completed and TDA has issued a release of funds, see *Chapter 3 Environmental Review*.[3]

This restriction applies both to acquisition covered by the URA and to private-to-private acquisition if the transfer of property would not have occurred if not for the TxCDBG project.

Note that any executed instrument which conveys an interest in property, whether purchased, leased, or donated, is also considered an activity limiting the choice of reasonable alternatives. However, an option contract is one action that may be taken to obtain site control; this action may conclude in acquisition once the environmental review process is completed. A real estate option contract or agreement is a legal agreement between the potential buyer of real property and the owner of that property. The real estate option agreement gives the potential buyer the exclusive right to buy the property at a specific price within a specific period. The option agreement does not impose any obligation upon the potential buyer to purchase the property, but it does obligate the seller to sell at the specified price if the buyer exercises the option to buy.

HUD's regulations allow for an option agreement for any project prior to the completion of the environmental review when the following requirements are met:[4]

- The agreement must include the statement: "This option agreement is subject to a determination by the [Grant Recipient] on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58" or similar language approved by TDA; and
- The cost of the option is a nominal portion of the purchase price.

The provision allows flexibility regarding the term ''nominal'' and any reasonable interpretation is acceptable, e.g., it is reasonable to conclude that the nominal amount for option contracts will vary depending upon the local real estate market and the purchase price**.** However, similar contracts with contingencies language for property acquisition that do **not** meet the above requirements are **not** acceptable for environmental review purposes.

NOTE: For projects with acquisition documents that include contingencies other than the approved environmental option language, e.g., procurement contingencies, contact TDA staff.

6.1.3 Procurement and Acquisition

[3] 24 CFR §58.22(a)
[4] 24 CFR §58.22(d)

Surveyors, appraisers, title companies, and other professionals whose services are required for acquisition must be procured under TxCDBG rules for procurement of professional services. Procurement of an attorney for legal services is not subject to competitive procurement requirements, see *Chapter 5 Procurement Procedures*.

6.1.4 Condemnation

Condemnation refers to the legal process used for taking property under the authority of eminent domain. The use of the term should not be confused with its use in declaring a property to be uninhabitable or unsafe.

Eminent domain refers to the power of the government to take private property and convert it to public use. The Fifth Amendment to the Constitution of the United States provides that government may only exercise this power if it provides just compensation to the property owner.

The statutory authority of the state of Texas grants eminent domain authority to state agencies, political subdivisions (such as cities, counties, and special districts), and some private entities. Governmental entities have eminent domain authority over properties that are located both inside and outside their taxing jurisdiction. All municipalities in Texas subject to home rule, general law, and special law are provided the authority of eminent domain.[5]

Texas Water Code confers water districts and water supply corporations with eminent domain authority to acquire land, easements, or other property necessary for water, sanitary sewer, storm drainage, or control purposes. However, the Water Code expressly restricts a district or water supply corporation from using the power of eminent domain authority for "the condemnation of land for the purpose of acquiring rights to underground water or of water or water rights." [6] Therefore, when acquiring surface land and the associated water rights for a proposed well site, these types of entities may only use voluntary acquisition procedures.

NOTE: Water supply corporations are considered private entities. However, the Texas Government Code limits the eminent domain authority of governmental and private entities for acquisition that confers a private benefit on a private party or for economic development purposes unless the economic development is a secondary purpose resulting from a municipal community development or municipal urban renewal activities to eliminate slum or blight as provided in applicable provisions of the Texas Local Government Code.[7]

6.1.5 Documenting Compliance for Acquisition Activities

Recordkeeping
The Grant Recipient is responsible for demonstrating compliance with URA requirements regardless of who actually performs the duties. All records and notices and their date of delivery must be maintained locally for TDA and HUD monitoring purposes.

All mailed communications should be USPS-Certified, Return Receipt Requested or similar, or hand-delivered with a notation on a copy by a witness to the delivery. The acquiring entity's records must contain the complete record and demonstrate compliance.

All acquisition activities must be fully documented, completed, executed and recorded, prior to the execution of any related construction contracts.

[5] Texas Local Government Code, §251.001 (Municipalities), §261.001 (Counties).
[6] Texas Water Code, §49.222.
[7] Texas Government Code, §2206.001.

TDA-GO! Reporting
The grant application contains initial expectations for any property to be acquired for the TxCDBG project. Once funded, the Grant Recipient must complete the *Acquisition Performance Report* in TDA-GO. The *Acquisition Performance Report* is created by TDA as part of the award process and contains one page, with additional pages generated if required.

NOTE: Even if no acquisition is needed for the TxCDBG funded project, the *Acquisition Performance Report* must be completed for federal reporting purposes.

Acquisition Plan page – The Grant Recipient must identify all property anticipated to be acquired as part of the project and the type (voluntary or involuntary) of acquisition procedure to be used. Submit the Performance Report in TDA-GO once the *Plan page* is completed.

TDA staff will then review the document and provide technical assistance, as needed.

NOTE: The *Acquisition Plan* page must reflect actual plans for the project. **Do not** submit a plan with incomplete information or before the potential property acquisition needs are known. Such "placeholder" plans may result in compliance findings for poor record keeping.

Revisions to *Acquisition Plan* page – If during the project the Grant Recipient identifies additional property to be acquired, or determines that previously identified acquisition is not needed, the Acquisition Performance Report must be updated. Contact TDA staff to have the previously approved plan made available for editing.

Acquired Parcels page **–** Once the *Acquisition Performance Report* is approved by TDA staff, a second page will appear within the report if the *Acquisition Plan* page indicates that at least one parcel will be acquired. A separate *Acquired Parcels* page must be completed for each property that is acquired. Use the "Add" button in the top right corner of the *Acquired Parcels* page to create a new entry.

A third page labeled *Acquired Parcels Summary* will also appear in the menu to calculate total purchase information for all parcels reported.

Administrative Settlement – Once both parties determine an acceptable final price, an Administrative Settlement with written justification may be prepared, which states pertinent information, including trial risk and other factors that support such a settlement, see *Administrative Settlement Guide* (**Form A610**).[8] Relocation payments are not acquisition costs and cannot be used to support an administrative settlement.

TDA recommends use of the Administrative Settlement Guide format for all acquisitions where the price is negotiated. An Administrative Settlement is *required* when:

- TxCDBG grant funds are used for the transaction and
- The purchase price exceeds the just compensation amount.

Funding

- No TxCDBG construction funds will be released for payment to the Grant Recipient until the *Acquisition Performance Report* is submitted and approved by TDA staff.
- If the *Acquisition Plan* page indicates that acquisition is required, no TxCDBG construction funds will be released until the *Acquired Parcel* page has been completed for each parcel related to that construction.

[8] 49 CFR §24.102(i)

- When a project includes multiple activities and only some of the activities require acquisition, the Grant Recipient must consult with TDA to determine which activities may occur prior to completing the *Acquisition Performance Report*.

Schedule

- Careful completion and submittal of the *Acquisition Performance Report* is an important early step to assure compliance. Failure to properly identify the type of acquisition (voluntary or involuntary), including providing required notices, may result in financial penalties and/or project delays for corrective actions. In certain cases where no corrective action or alternative locations are appropriate, failure to follow URA procedures may result in termination of the Grant Agreement.
- TDA recommends the acquiring entity begin title research early in the acquisition process to correct title issues that may cause delays.
- The process of obtaining an appraisal and review appraisal can be lengthy and must be accommodated in the project's schedule in order to complete the project within the contract period. If delays in these processes do not allow for timely completion of the project, the project as contracted will need to be re-evaluated to determine its feasibility. Contact TDA staff for technical assistance.

6.2 Methods of Acquisition

An acquiring entity may acquire real property after determining whether the acquisition is voluntary or involuntary (see the following descriptions to determine whether an acquisition is voluntary or involuntary) through one of the following methods:

- Donation
- Just compensation purchase
- Negotiated purchase
- Condemnation

Donation

A transaction may be considered a donation if the owner agrees to give, rather than sell, property to the acquiring entity. Donations may be made in either voluntary or involuntary acquisitions.

Just Compensation Purchase

The acquisition price is determined through a valuation process—such as an appraisal or valuation through property tax records or appraisal district records.

Negotiated Purchase

Negotiated purchase is the acquisition of property at a price different from the value that was determined through just compensation. In cases of purchase through negotiation, the reasons for the purchase must be explained in a document called an administrative settlement, see sample *Administrative Settlement Guide Form* **(Form A610).**

Condemnation

An acquiring entity should use condemnation only as a last resort and must request and obtain written approval from TDA in advance before commencing condemnation procedures. **Given the short term of the TxCDBG contract periods, TDA does not typically approve the use of condemnation in the acquisition of property**. In addition, the use of TxCDBG funds to support the use of eminent domain on an economic development project that primarily benefits a private entity is prohibited. See the current Consolidated Appropriations Act, as well as similar provisions in previous appropriations.

6.3 Step-by-Step Procedures

6.3.1 Determining Voluntary or Involuntary Acquisitions

Acquisitions of real property are either voluntary or involuntary. The terms relate to whether or not the acquiring entity possesses the authority of eminent domain (condemnation), and if the transaction occurs as a result of the use or potential use of that authority. URA provides different protections to property owners depending on whether acquisition is voluntary or involuntary.[9]

Voluntary Acquisition
Acquiring Entities *with* Eminent Domain Authority
Voluntary acquisitions are negotiated between the property owner and the acquiring entity without the threat of eminent domain or condemnation. For acquiring entities with the authority of eminent domain, acquisitions must meet the following conditions to be considered voluntary.[10]

- No specific site is needed and any one of several properties could be acquired for project purposes.
- The property is not part of an intended, planned, or designated project area where other properties will be acquired within specific time limits.
- The acquiring entity must inform the owner in writing that the property will not be acquired through condemnation if negotiations do not reach an amicable agreement.
- The acquiring entity must inform the owner in writing of the property's market value.

If the agency cannot ensure the applicable requirements are satisfied, then such acquisitions must be pursued as an involuntary acquisition under the full requirements of 49 CFR Part 24 Subpart B.

Acquiring Entities *without* Eminent Domain Authority
Public Land Acquisition
Acquiring entities do not have the authority to obtain publicly-owned land through condemnation. Therefore, acquisitions of government-owned property whether federal, state, local governments, or political subdivisions, such as school districts or river authorities, are considered voluntary acquisitions. The acquiring entity must still provide notification to the governmental entity regarding interest in the property. The notice must inform the owner that eminent domain authority will not be used to acquire the property and must provide the estimated market value of the property to be acquired before negotiating the sale, lease, or donation of the public land.

Economic Development
Acquisition of real property on an economic development project which benefits a private entity may only be conducted through voluntary procedures using non-federal funds.

In no case is it permissible for an entity to subsequently undertake an acquisition under threat or use its eminent domain authority if initial negotiations for a voluntary acquisition fail.

Involuntary Acquisition
If the acquisition does not qualify as voluntary under any of the exceptions listed above, the acquisition is considered involuntary. Involuntary acquisition procedures must be followed for any acquisition of real property for programs and projects where there is Federal financial assistance in any part of project costs.

[9] 49 CFR 24, Subpart B (Real Property Acquisition)
[10] 49 CFR §24.101(b)(1)(i)-(iv)

Acquisitions that do not satisfy all requirements for voluntary acquisition described above are considered involuntary even if the property owner is a willing seller.

6.3.2 Step-by-Step – Voluntary Acquisitions

Step 1. Determine the Property to be Acquired
Prior to beginning an acquisition process, the Grant Recipient must have a clear understanding of the grant-funded project and the property that must be acquired for the project to be successful.

Step 2. Submit TDA-GO *Acquisition Performance Report* – Acquisition Plan page
Confirm voluntary acquisition is appropriate and submit to TDA for review and approval**.**

Step 3. Determine Market Value of the Property
The Grant Recipient may use a market estimate such as a tax valuation to determine value. An appraisal is not required for voluntary acquisitions.

Step 4. Notify Owner of Property Rights
Voluntary acquisitions can occur only when an acquiring entity lacks the authority to condemn (eminent domain) or when it revokes its intent to use eminent domain with the provision of specific written notice to the property owner.

The Grant Recipient must notify the owner in writing, prior to making a purchase offer, of the following:[11]

- The property's market value; and
- The Grant Recipient or acquiring entity will not acquire the property if an amicable settlement cannot be reached, see sample *HUD Guide Forms* Appendices 31 and 32, (**Forms A603** and **A604** respectively), for appropriate language based on the Grant Recipient's eminent domain powers.

OPTIONAL: In addition, the owner can also be invited to donate the property. The acquiring entity may include the completed *Sample Notice of Agreement to Donate* **(Form A605)** which allows the owner to accept or decline the request to donate the land.

Step 5. Complete Environmental Review
In accordance with U.S. Department of Housing and Urban Development (HUD) regulations, a Grant Recipient may not execute an agreement for the sale, lease, or donation of real property before an environmental review has been completed and a TDA-authorized release of funds, see *Chapter 3 Environmental Review*.[12] If a significant environmental impact will occur, consider alternative sites.

Step 6. Determine Price or Donation
The owner may choose to donate the property. However, after an acquiring entity has established an amount it believes to be the market value of the property and has notified the owner of this amount in writing, an acquiring entity may negotiate freely with the owner in order to reach an agreement. Since these transactions are voluntary, with a willing buyer and a willing seller, negotiations may result in agreement for the amount of the original estimate, an amount exceeding it, or for a lesser amount.

BEST PRACTICE: Apply the administrative settlement concept and procedures in 49 CFR § 24.102(i) to document the rationale for determining the negotiated price.

[11] *Ibid*.
[12] 24 CFR §58.22

Step 7. Execute the Agreement
The Grant Recipient and the property owner must execute a sale or donation agreement. TDA requires the deed to be recorded in order to consider the acquisition complete.

Step 8. Report Acquisition Parcel Information
The Grant Recipient must complete an *Acquired Parcel* page in the TDA-GO *Acquisition Performance Report* for each parcel.

6.3.3 Step-by-Step Procedures – Involuntary Acquisitions

Step 1. Determine the Property to be Acquired
Prior to beginning an acquisition process, the Grant Recipient must have a clear understanding of the grant-funded project and the property needed for the project to be successful.

Step 2. Submit TDA-GO Acquisition Performance Report - Acquisition Plan page
Involuntary acquisition requires TDA authorization *prior* to pursuing the property, as documented on the *Acquisition Performance Report*. The *Acquisition Plan* is a page within this report.

Step 3. Notify Owner of Property Rights
As soon as feasible, the acquiring entity must notify the owner in writing of its interest in acquiring the property and the basic protections provided to the owner under URA, HUD policies, and state law.

The Grant Recipient must provide the owner with the following, prior to making a purchase offer:

- **Notice to Owner for Involuntary Acquisition** – See sample *HUD Guide Appendix 30* **(Form A602)** for appropriate language.
- **When a Public Agency Acquires Your Property** – This HUD booklet describes important features of the *Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970*, as amended.
- **The Texas Landowner's Bill of Rights** – This required informational booklet explains the rights and protections available to landowners.[13]

OPTIONAL: In addition, the owner can also be invited to donate the property. The acquiring entity may include a *Notice of Agreement to Donate* (Form A605) allows the owner to accept or decline the request to donate the land. This form also allows the owner to waive his/her right to an appraisal of the land.

Step 4. Determine Just Compensation for the Property
An appraisal is required for property acquired under involuntary procedures unless one of the following is applicable.[14]

- If the owner is donating the property and releases the acquiring/condemning authority from its obligation to appraise the property, no formal appraisal is required.[15]
- If the property valuation is simple and the anticipated value of the proposed acquisition is $10,000 or less, a waiver of appraisal requirements may be requested. The acquiring entity must prepare a waiver valuation and have a reasonable basis for the waiver valuation included in the local files.
- If the value of the property exceeds $10,000 and is less than $25,000, TDA will consider written requests for waiver of appraisal which must be submitted with the TDA-GO Start Up Report**.** If TDA determines the request meets eligible requirements it will be forwarded to HUD's Regional Relocation Specialist for consideration.

[13] Texas Government Code, §402.031;Texas Property Code, §21.0112.
[14] 49 CFR §24.102(c)(2).
[15] *Ibid*.

The process of estimating value when an appraisal is determined to be unnecessary is considered a **waiver valuation** and must be completed by a qualified person.[16]

The property owner, or the owner's designated representative, must be invited to accompany the appraiser and be given the opportunity to present facts and information which may affect the valuation.[17] The Grant Recipient should consult with their legal counsel for guidance with respect to the requirements and procedures of the URA in determining just compensation.

The Grant Recipient must select the appropriate option on the TDA-GO Start Up Report to request a waiver of appraisal requirements.

Qualifications of Appraiser and Review Appraiser
The appraisal procedures require that a qualified appraiser and a qualified review appraiser be retained.[18] Property appraisal services must be procured in compliance with TxCDBG professional services procurement procedures and applicable state procurement law. A contract (fee) appraiser hired to perform an appraisal or a review appraisal must be a state-licensed or certified real estate appraiser in good standing.

Appraiser
The appraiser must provide an independently and impartially prepared opinion of the value of an adequately defined property as of a specific date, as per the presentation and analysis of relevant market information.

- **Review Appraiser** – The review appraiser must examine the analysis of market information in appraisals to assure that they meet the definition of appraisal found in 49 CFR §24.2(a)(3), appraisal requirements found in 49 CFR §24.103, and all other applicable requirements.[19] The review appraiser may be a member of the staff of the acquiring entity but must have adequate experience, education, training, and current certification/licensing. If the review appraiser is unable to recommend or approve an appraisal as an adequate basis for the establishment of just compensation, the review appraiser may, as part of the review, present market information to support a recommended value. The review appraiser must identify an appraisal report as one of the following:
    - Recommended (as the basis for the establishment of the amount believed to be just compensation),
    - Accepted (meets all requirements, but not selected as recommended or approved), or
    - Not accepted.

Step 5. Notification—Establishment and Offer of Just Compensation
Before the initiation of negotiations, the Grant Recipient must establish an amount believed to be just compensation. The Grant Recipient must provide the just compensation value of the property to the owner in writing. The amount shall not be less than the approved appraisal of the fair market value of the property, consider the value of allowable damages or benefits to any remaining property. The just compensation determination statement and notification to the owner must include:[20]

- The signature of an acquiring entity official;
- A statement of the amount offered as just compensation. In the case of a partial acquisition, the compensation for the real property to be acquired and the compensation for damages, if any, to the remaining real property shall be separately stated;
- A description and location identification of the real property and the interest in the real property to be acquired; and

[16] 49 CFR §24.103
[17] 49 CFR §24.102(c)(1)
[18] 49 CFR §§24.103 and 24.104
[19] *Ibid*.
[20] 49 CFR §24.102.

- An identification of the buildings, structures, and other improvements (including removable building equipment and trade fixtures) which are included as part of the offer of just compensation.

Step 6. Complete Environmental Review
In accordance with U.S. Department of Housing and Urban Development (HUD) regulations at 24 CFR §58.22, a Grant Recipient may not execute an agreement for the sale, lease, or donation of real property before an environmental review has been completed and release of funds authorized by TDA, see *Chapter 3 Environmental Review.*

Step 7. Determine Price
The owner may choose to donate the property or may accept the just compensation amount, in which case the parties may proceed with the execution of appropriate donation or sales documents in Step 8.

The owner may also decline the offer of just compensation and negotiate a different price. The owner must be given reasonable opportunity to present material and information which the owner believes is relevant to determining the value of the property, and to suggest modifications in the proposed terms and conditions of the purchase.

The purchase price may differ or exceed the amount offered as just compensation when reasonable efforts to negotiate an agreement have failed and an acquiring entity official approves such settlement as reasonable, prudent, and in the public interest.

If negotiations are unsuccessful and TDA has approved the use of eminent domain, the acquiring entity must complete all required procedures. Please refer to your local attorney for specific guidance.

Step 8. Execute Agreement
The Grant Recipient and the property owner must execute a sales or donation agreement. TDA requires the deed to be recorded in order to consider the acquisition complete.

Step 9. Report Acquisition Parcel Information
The Grant Recipient must complete an Acquired Parcel page in the *TDA-GO Acquisition Performance Report* for each parcel.

6.4 References and Guidance

Federal guidance for procuring appraisals may be found in HUD Handbook 1378 **Real Estate Acquisition and Relocation Policy and Guidance** on the HUD website, which includes guidance and sample language for required notices:

- *Chapter 6, Recordkeeping and Reports to Guide Localities in the Acquisition Process.*
- Appendix 19 Preparing an Appraisal Scope of Work.
- Appendix 20 Agreement for Appraisal Services.
- Appendix 31 Informational Notice VOLUNTARY ACQUISITION for Agencies WITHOUT Eminent Domain Authority.
- Appendix 32 Informational Notice VOLUNTARY ACQUISITION for Agencies WITH Eminent Domain Authority, where it will be REVOKED.
- Appendix 30 Notice of Interest INVOLUNTARY ACQUISITION for Acquisition where Eminent Domain Authority IS RETAINED.

The following documents are included in this chapter and available on the TDA website:

- State of Texas publication*, The Texas Landowners Bill of Rights.*
- HUD publication, *When a Public Agency Acquires Your Property*.

Resources

Resource Number	Description	URL
	The Texas Landowners Bill of Rights	Texas Attorney General's Office website
	When a Public Agency Acquires Your Property	HUD website
	HUD Handbook 1378	HUD website
A605-A608	Sample Notices to Property Owners	TDA Forms website
A609	Sample Written Purchase Offer	TDA Forms website
A610	Administrative Settlement Guide	TDA Forms website

*Note: these items will be updated as needed.