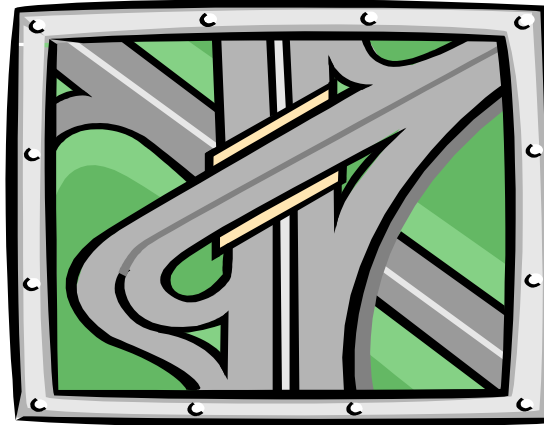


Uniform Act

Basic Principles



Training Objectives

- Identify the constitutional basis for paying just compensation to property owners.
- Define the major elements of the Uniform Relocation Act.
- List three rights of property owners under the URA.
- List at least 3 types of assistance available to displaced persons under the URA.

Uniform Relocation Act

- 1970: **Public Law 91-646**—“Uniform Relocation Assistance and Real Property Acquisition Policies Act”
- 1987: **Public Law 100-17**—“Surface Transportation and Uniform Relocation Act Amendments”

Purpose of the URA

- The historic purpose underlying the Uniform Relocation Act (URA) is:
- For acquisition: Treat owners fairly and consistently, encourage acquisition by agreement, minimize litigation, and promote confidence.
- For displaced persons: Treat individuals fairly, equitably, consistently, and do not cause disproportionate injury.
- For agencies: Act efficiently and in a cost-effective manner.

Uniform Relocation Act—Title I

Purpose: “To provide for uniform and equitable treatment of persons displaced ... and to establish uniform and equitable land acquisition policies....”

- Person/displaced person
- Comparable replacement dwelling
- Displacing agency
- Appraisal

Uniform Relocation Act—Title II

Purpose: “To provide for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by Federal and federally assisted programs....”

- Relocation assistance
- Moving expenses
- Replacement housing payments

Uniform Relocation Act—Title III

Purpose: “In order to encourage and expedite the acquisition of real property by agreements with owners, to avoid litigation and relieve congestion in the courts, to assure consistent treatment for owners...(the) agency shall make every reasonable effort to acquire expeditiously real property by negotiation.”

- **Appraisal**
- **Acquisition**
- **Condemnation**

Just Compensation

“In no event shall such amount be less than the agency’s approved appraisal of the fair market value of such property.”

[Title III, Sec. 301(3)]



Uniform Act Implementing Regulations

- Code of Federal Regulations--49 CFR Part 24
- Purpose:
 - Promulgate rules to implement the URA
 - Ensure property owners are treated fairly
 - Ensure displacees are treated fairly
 - Ensure agencies implement regs in an efficient and cost effective manner



Question: What is An Appraisal?

An appraisal is:

- A written statement independently and impartially prepared ...
- by a qualified appraiser ...
- setting forth an **opinion** of defined value ...
- of an adequately described property ...
- as of a specific date ...
- supported by the presentation and analysis of relevant market information.



What is “fair market value”?

“Fair market value” is:

Fair Market Value

- FMV...”The most probable price, as of a specified date, in cash or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller acting prudently, knowledgeably, and for self interest assuming that neither is under duress.”

NHI “Appraisal for Federal-aid Highway Programs,
August 2011

The Appraisal Process

- Define the Appraisal Problem
- Collect Data
- Determine Highest & Best Use
- Consider the 3 Approaches to Value:
 - Cost
 - Income
 - Market
- Conclude and Report Value



What is an “approved**” appraisal of fair market value?**

Appraisal Review

Appraisals must be reviewed for:

- Compliance
- Value

NOTE: The reviewer may be delegated the responsibility for estimating a value believed to be **just compensation**

Waiver of Appraisal

Appraisal may be waived if:

- Low value
- Uncomplicated

Regulations include two thresholds:

- \$10,000
- \$25,000

Acquisition/Negotiations

Title III – Uniform Relocation Act:

- Owner must be invited to accompany the appraiser on the inspection of the property.
- Written offer based on an amount believed to be just compensation
- Adequate time to review & consider offer
- If offer not accepted, agency may make an administrative settlement--the URA emphasizes amicable negotiations

Acquisition by Condemnation

- If no settlement is reached, condemnation is filed
- Process of condemnation in accordance with State law

NOTE: Agency may consider mediation, binding arbitration, or other alternative dispute resolution.



Relocation Assistance

Displaced Person: “Any person who moves from real property or moves personal property from real property.” May be:

- Residential owner
- Residential tenant
- Business owner
- Business tenant
- Farm
- Nonprofit organization
- Personal property

The Relocation Process

- Relocation planning during NEPA
- Interview, collect information
- More planning
- Find comparable replacement housing
- Provide advisory services
- Provide notices: Eligibility, 90-day
- Provide moving expenses
- Provide business reestablishment expenses
- Provide replacement housing payments
- Provide last resort housing

Relocation Assistance

RHP for Residential Owners - Sample Calculation

- Price of Comparable Replacement Dwelling
\$230,000
- Acquisition Price of Subject Property
\$220,000
- Maximum purchase supplement
\$10,000

RHP includes closing costs and mortgage interest differential

Relocation Assistance

RHP for Tenants - Sample Calculation

• Comparable Rent and Utilities	\$720
• Subject Rent and Utilities	<u>\$600</u>
• Difference (comp less subject)	\$120
42 Times the Difference	<u>x 42</u>
• Maximum Rent Supplement	\$5,040

Relocation Assistance

Moving Expenses—Nonresidential (Business, Farm, NPO)

- Actual costs or lower of two bids
- Reestablishment expenses (\$50,000 maximum in WA)*
- Fixed payment in lieu of other moving expenses

*The Uniform Act threshold is \$25,000, but WA State law set the limit at \$50,000 for WA projects. FHWA will participate in this higher limit.

Questions and Comments!

Information on Right-of-Way, including links to the Uniform Act and the regulations, can be found at the following website:

https://www.fhwa.dot.gov/real_estate/