



U.S. Department  
of Transportation

**Federal Aviation  
Administration**

# Advisory Circular

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**Subject:** LAND ACQUISITION AND  
RELOCATION ASSISTANCE FOR AIRPORT  
IMPROVEMENT PROGRAM (AIP) ASSISTED  
PROJECTS

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**1. PURPOSE.** This advisory circular (AC) provides guidance to sponsors of Airport Improvement Program (AIP) assisted projects to develop their land acquisition and relocation assistance procedures in conformance to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PI 91-646, as amended). This change incorporates the updates to implementing Federal regulations 49 CFR Part 24, and all prior changes to the AC, number 1 through 5.

**a. Background.** Chapter 471 of Title 49 of the United States Code (U.S.C.) authorizes the AIP. Previously, the Airport and Airway Improvement Act of 1982 (P.L. 97-248, as amended, repealed in 1994 by Public Law 103-272 on July 5, 1994) authorized the AIP. Codification of Certain U.S. Transportation Laws at Title 49 U.S.C. and the provisions were recodified as Chapter 471. No substantive changes were made in the recodification. Since the original authorization the Act has been amended in 1994, 1996, 1999, 2000, 2001, 2002 and again in 2003, to change the annual authorizations for fiscal year 1994 through FY 2007 as well as numerous other program changes. The Act's broad objective is to assist in the development of a nationwide system of public-use airports adequate to meet the current needs and the projected growth of civil aviation. The Act provides funding for airport planning and development projects at airports included in the National Plan of Integrated Airport Systems (NPIAS).

**b. The Uniform Act.** The Uniform Act provides minimum real property acquisition policies, and requires uniform and equitable treatment of persons displaced as a result of a Federally assisted program or project. The provisions of the Uniform Act and 49 CFR Part 24 apply to all AIP projects with Federal funds in any phase or portion of the project, i.e., the planning, design, land acquisition, or construction phases.

## **2. RELATED READING MATERIAL**

**a.** Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 USC 4601 et seq.)

**b.** 49 CFR Part 24, Regulations of the Office of the Secretary of Transportation.

**c.** Order 5100.37, Land Acquisition and Relocation for Airport Development Projects.

**d.** Order 5100.38, Airport Improvement Program (AIP) Handbook.

**e.** Order 5050.4, Environmental Handbook

f. Order 5190.6, Airport Compliance Requirements.

g. Advisory Circular 150/5100-14, Architectural, Engineering and Planning Consultant Services for Airport Grant Projects.

h. Advisory Circular 150/5300-13, Airport Design.

**3. RESPONSIBILITY.** The Federal government, through the FAA on AIP programs, has the responsibility to ensure uniform and equitable treatment to persons affected by Federally assisted airport land acquisition programs, within the provisions and entitlements of the Uniform Act. The stated purpose of the Uniform Act is to ensure that affected persons shall not suffer disproportionate injuries as a result of programs and projects designed for the benefit of the public as a whole and to minimize the hardship of displacement on such persons. Procedures conforming to 49 CFR Part 24 and FAA policies serve to accomplish this purpose. The FAA shall monitor sponsor compliance with the provisions of 49 CFR Part 24, and the sponsor shall take whatever corrective action necessary to comply with the Uniform Act and 49 CFR Part 24.

**4. FORMS AND REPORTS.** The sample forms depicted in the Appendix are in digital format and are available on the web for review and download as may be desired.

***Original signed by***

-s -

Dennis Roberts

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# Chapter 1. UNIFORM ACT REQUIREMENTS

## Section 1. APPLICABILITY TO AIRPORT IMPROVEMENT PROGRAM (AIP)

### 1-1. UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT (UNIFORM ACT).

The Uniform Act (42 USC 4601 et seq.) was enacted January 2, 1971. This law applies to any Federal project or program that requires real property acquisition and people to be displaced from their acquired home, business, farm, or nonprofit organization real property. The purpose of the Uniform Act is:

**a.** To ensure that owners of real property to be acquired for Federal and federally-assisted projects are treated fairly and consistently, to encourage and expedite acquisition by 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:

**b.** To ensure that persons displaced as a direct result of Federal or federally-assisted projects are treated fairly, consistently, and equitably so that such displaced persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole; and

**c.** To ensure that Agencies implement these regulations in a manner that is efficient and cost-effective.

### 1-2. AIP GRANT REQUIREMENTS, AIRPORT LAND PROJECTS.

**a.** Chapter 7 of the AIP Handbook, FAA Order 5100.38, describes the sponsor grant requirements and eligibility for land acquisition and relocation costs. As described in the AIP Handbook, grant agreements require that:

**(1)** The sponsor will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 (described in Chapters 2 and 3)

**(2)** The sponsor will pay or reimburse property owners for necessary expenses as specified in 49 CFR 24.10.

**(3)** The sponsor will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subparts D and E of 49 CFR Part 24. (Chapters 4,5 and 6)

**(4)** The sponsor will make available within a reasonable period of time prior to displacement comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

**b.** FAA Order 5100.37B. This Order provides FAA Airports field offices guidance on the review and acceptance of sponsor certification and compliance to the regulatory and FAA requirements. This AC is intended to supplement the Order with detailed procedural and documentation guidance to airport sponsors to conform to 49 CFR 24.

c. Acquisition, Relocation, and Certification (ARC). ARC is an instructional guide for sponsors to apply 49 CFR 24 requirements on small airport land projects involving only a few properties and little if any relocation. This instructional program is available online at <http://www.flashgov.com/arc.htm> or available on a CD from APP600.

### 1-3. APPLICATION OF VOLUNTARY TRANSACTION EXEMPTION - 49 CFR PART 24.101(B)

The regulation at 49 CFR 24.101(b) provides that a property owner's sale may be considered a voluntary transaction and exempt from the land acquisition requirements (described in Chapter 2 and 3) when the owner's sale to the airport meets **ALL** of the qualifications listed below. Figure 1-1 applies these qualifying criteria to typical airport project land acquisitions to assist a determination if an owner's sale may be considered a voluntary transaction. Specific questions may be forwarded to your FAA project manager.

a. The acquisition and possession of the property is not a necessity to complete the airport project (e.g. Airport purchase of a home under a Sales Assurance program). When the sponsor purchases more than one property for such project, all selling property owners are to be treated similarly.

b. The owner's property is not part of an intended, planned, or within a designated project area where all or substantially all of the property within the areas is eligible and proposed for purchase within specific time limits. An owner's sale to the airport for an airport expansion or noise buy-out project does **not** meet this qualification criterion.

c. The sponsor informs the property owner in writing that should negotiations fail to result in an amicable agreement for the purchase the airport will not purchase the owner's property.

d. The sponsor informs the property owner in writing of the market value of the property.

Under the regulation, the owner of property sold as a qualified Voluntary Transaction is not a displaced person and is not eligible for relocation assistance and payment benefits (described in Chapters 4 through 6). **However, any tenant in occupancy when agreement is reached to purchase the property is displaced for the project and is eligible for all applicable relocation payments and assistance provided for under the Uniform Act.**

Figure 1-1. Is the Owner’s Sale to an Airport Project a Voluntary Transaction Exception?

Property is Purchased For:	Is Owner’s Sale a Voluntary Transaction?	Is Selling Owner Displaced?
Current or Planned Airport Expansion Project	No	Yes, and entitled to relocation payments.
<u>Airport Noise Compatibility Program</u> Buy-Out of Homes Change in Land Use	No	Yes, and entitled to relocation payments.
<u>Airport Noise Compatibility Program</u> Purchase /Sales Assurance No Change in Land Use	Yes, if owner advised in writing that failing amicable agreement the property would not be purchased.	No
Open Market Sale for AIP Eligible Airport Standards At the time of sale, property was not required for a current or planned FAA Assisted Expansion	Yes, if owner advised in writing that failing amicable agreement the property would not be purchased.	No

**1-4. PLANNING AND FEDERAL-AID PROGRAMMING.**

Airports included in the National Plan of Integrated Airport Systems (NPIAS) are eligible to receive AIP grant funding. Those projects of these airport sponsors included in the current FAA Airport Capital Improvement Program (ACIP) are eligible for grant funding. The sponsor may consult the FAA project manager to confirm the planning status of a proposed project.

**1-5. NEPA AND FAR 150 COORDINATION.**

As applicable, a proposed project must be evaluated for National Environmental Policy Act (NEPA) conformance prior to commencing work with anticipation of receiving Federal funding. Documentation may entail a minor statement of compliance and conformance to a full environmental impact statement (EIS). FAA Order 5050.4 provides guidance on NEPA requirements for AIP assisted projects. The sponsor should consult the FAA project manager where there is any question concerning completion of the environmental assessments.

A land acquisition project for noise compatibility must be included as a FAA approved measure of the airport’s FAR Part 150 noise compatibility program. See the AIP Handbook, FAA Order 5100.38, at Chapter 8 for eligibility requirements for Noise Compatibility Programs.

**1-6. PROJECT DEFINITION.**

The grant agreement with the FAA requires the airport sponsor to prepare and maintain a current Property Inventory Map (Exhibit "A") of airport owned land. The Exhibit "A" indicates land acquired for noise mitigation purposes and redeveloped to airport use and/or aviation use as well as land not retained for airport use (see Figure 1-2). Through the grant application and approval process, the FAA project manager will provide assistance and specific requirements for the development of Exhibit "A", (also see paragraph 500 of FAA Order 5100.38).

**FIGURE 1-2. EXHIBIT "A" PROPERTY INVENTORY MAP**

The Exhibit "A" property map must be submitted as part of the project application. The primary intent is to identify all land that is designated airport property and to provide an inventory of all parcels that make up the airport. It is NOT an Airport Layout Plan (ALP) and, therefore, should be limited to those elements, which will assist in the identification of property only. The Exhibit A must conform to standard drafting requirements and at a minimum should contain the following:

- ✓ Identification of the outside airport property boundary.
- ✓ All property parcels of the entire airport must be shown and numbered. In addition, parcels that were once airport property must also be shown.
- ✓ Show and/or directly reference parcel information including: Grantee (selling owner), type of interest acquired, and acreage, public land record references such as book & page, and date of recording.
- ✓ For each property parcel show FAA project number if acquired under a grant; Surplus Property Transfer or AP-4 Agreement if applicable; and type of easement (clearing, aviation, utility, ROW, etc.); and if released, date of FAA approval.
- ✓ Show the purpose of acquisition (current aeronautical, noise compatibility, or future development) and current use if different or in interim use pending development.
- ✓ Show runway protection zones, runway configurations, and building restriction lines.
- ✓ Show magnetic and true north arrows per standard drafting practices.
- ✓ If the Exhibit "A" is being submitted as part of a land acquisition project, the parcels being acquired must also be shown.
- ✓ The Exhibit "A" must be dated and amended whenever there is a change to any airport property

**1-7. REAL PROPERTY INTEREST TO BE ACQUIRED.**

On AIP assisted projects the sponsor shall acquire real property rights of such nature and extent that are adequate for the construction, operation, and maintenance of the grant assisted project. Normally the sponsor will acquire fee title to all land within the airport boundaries and for the runway protection zone (RPZ). If fee acquisition for the RPZ is not practical then an aviation easement is required. This easement shall secure the right of flight with inherent noise and vibration above the approach surface, the right to remove existing obstruction, and a restriction against the establishment of future obstructions. Generally, where less than fee title is

proposed to be acquired the property rights acquired shall be sufficient to encumber the remainder real estate with provisions that will ensure full use of the property as needed for airport construction and/or for safe airport operations conforming to FAA requirements. The FAA project manager should be consulted to assure adequate interest is acquired. As requested, the sponsor will provide evidence to the FAA that adequate title has been obtained, (see [Chapter 8](#) for certification requirements).

## **Section 2. PROJECT CLEARANCE UNDER 49 CFR PART 24 REQUIREMENTS.**

The section provides an overview of the tasks necessary to successfully clear a project under the Federal regulatory (49 CFR Part 24) and FAA real property acquisition and relocation assistance requirements. Figure 1-3 provides an overview of the typical process with the major tasks described in the following paragraphs. Detailed procedural guidance is provided in the referenced chapters of this AC.

### **1-8. REQUIRED LEAD TIME.**

For any Airport land project, adequate lead is required to accomplish land acquisition and provide any needed relocation assistance in conformance to the Federal requirements (49 CFR Part 24). **Lead Time**<sup>1</sup> may be estimated by scheduling the regulatory tasks to acquire needed property for a project. Figure 1-3 provides a simplified schedule and illustrates an estimate of the time required to successfully acquire and clear land needed for Airport projects. As shown, typically the major portion of eligible project expense will be incurred with the actual purchase of property and payment of relocation claims. However, the majority of the work required for AIP reimbursement of cost or project acceptance of conformance to 49 CFR 24 must occur in advance of the actual expenditures. Therefore, when acquiring land and relocating displaced persons for an AIP assisted project or program, the sponsor must ensure Uniform Act compliance before any grant reimbursement may be provided or any grant authorization given for AIP funded construction, (see Chapter 8 for [Sponsor Certification](#) requirements).

### **1-9. TITLE REPORTS, LAND SURVEYS AND STUDIES.**

#### **a. Land Titles and Surveys.**

Accurate ownership information and property descriptions are required to initiate the appraisal process and negotiations. The sponsor should order title insurance commitments in anticipation of delivery of these by the initiation of negotiations. Appraisal work may commence with preliminary title searches and abstracts upon identification of the fee interest, leaseholds, any encumbrances or easements on the property to be acquired, and upon securing adequate property descriptions. For properties with tenant occupants, leases and other documents indicating ownership need to be secured and tenant owned improvements identified. The cost of title work to ensure marketable title is acquired and supporting the sponsor's assurance of title (see Chapter 8 of this AC) is eligible for reimbursement as part of the AIP grant. A sponsor may rely on title insurance as it is typically more cost effective than a full abstract or attorney title certification.

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<sup>1</sup> As is illustrated in Figure 1-2, a project clearance schedule or Lead Time can be estimated by application of the scheduling formula, ***Project Lead Time Estimate = (Total Parcels / Parcel Start Capacity per Agent)/Agents X Parcel Time)+ Contingency Time.***

Property surveys and plats may be required for the acquisition of partial takes and for condemnation purposes. Also, local customs and laws may necessitate the preparation of plats for the conveyance of needed property.

#### **b. Investigation of Hazardous Materials And Contamination.**

(1) Avoidance of Contaminated Property. As part of the project planning and environmental assessment phases, the sponsor should have an adequate due diligence environmental audit made for the presence of hazardous material and contamination on property needed for a project. Contaminated property must be avoided as is feasible, or the use minimized to avoid excessive project costs for the clean up and remediation of hazardous materials.

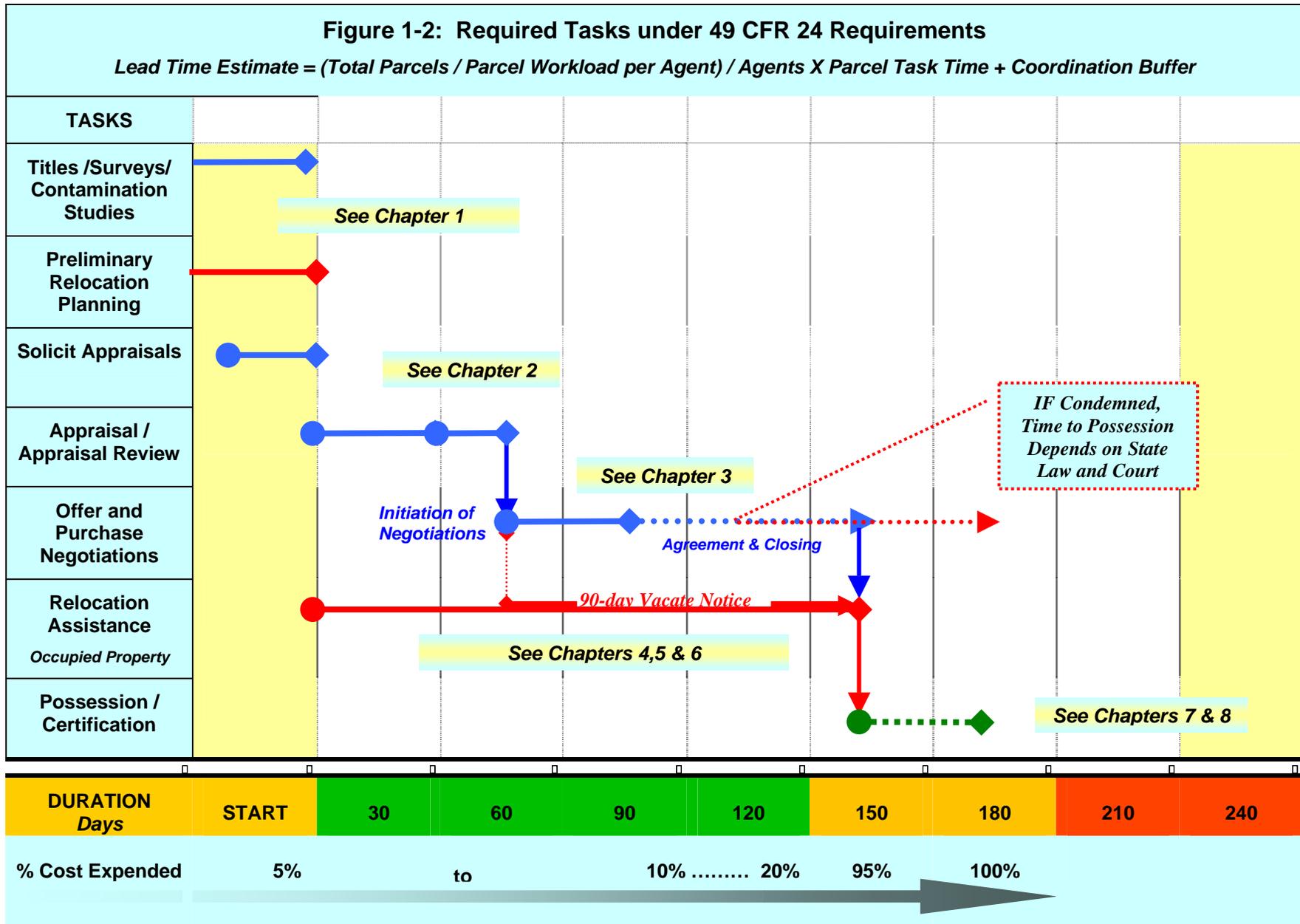
(2) Sponsor Responsibilities Before the Appraisal. Prior to the appraisal of any land that that may be contaminated, the sponsor should provide the results of the due diligence environmental audit to the appraiser for inclusion in the appraisal report. Appraisers should be aware of and report to the sponsor, prior to completion of the appraisal, actual property conditions that exist at a site that may warrant further environmental investigation. The appraiser may not condition the appraisal report with an assumption that the property is free of contamination. See Chapter 2 of this AC for guidance on the appraisal of contaminated property.

(3) Sponsor Responsibilities Before the Acquisition. Where use of contaminated property is determined necessary, the sponsor should not acquire title to such property without securing binding agreement with the property owner and other identified responsible parties assigning liability for the cost for clean-up of the property. An offer to acquire contaminated property shall be conditioned on the property owner's remediation of the contamination threat to public health and safety. [Paragraph 2-17](#) provides guidance on the proper consideration of contamination in appraising the fair market value of property.

Reliance on adequate environmental audit (Phase I and Phase II site studies) should be made to identify the scope of contamination and other responsible parties, under laws, who have clean-up liability. The sponsor should not undertake site remediation (Phase III), without first securing adequate assurances and indemnification from other responsible parties, and securing agreement from the regulatory agency or agencies fixing the extent of the sponsor's clean-up responsibility. A qualified environmental consultant will likely be required to assure the sponsor's interests are adequately protected in developing the remediation requirements for the use of the site in the project, and limiting any future clean-up liability. The sponsor must consult with the FAA project manager to determine if proposed site remediation costs are reimbursable under the AIP grant.

#### **1-10. PRELIMINARY RELOCATION ASSISTANCE PLANNING. (CHAPTER 4)**

**Project Planning Stage.** Early in project development a sponsor should identify relocation assistance measures sufficient to minimize the impact of displacement on individuals, families, businesses, farms, and nonprofit organizations. Relocation planning at this stage is normally conducted as part of the NEPA approval processes. The [relocation plan at the project planning stage](#) should provide an estimate of the number of displaced persons, business, farms and non-profit organizations, and the characteristics and needs of the displaced persons (e.g., elderly, handicapped, minority, low income, etc.). The plan will relate the available supply of comparable replacement housing and suitable replacement business and farm sites, to the needs of the displaced persons. The plan should result in an estimate of the cost and time requirements for an orderly and humane relocation program as part of project development. Generally, secondary sources of information are sufficient to adequately prepare this plan.



***A Complex Property and Relocation Require More Time. Good Planning and Preparation Save Time!***

**a. Acquisition Stage.** Prior to the [initiation of negotiations](#) the sponsor should prepare an [acquisition stage relocation plan](#) that will provide the necessary information and specific requirements for the relocation of the identified displaced persons. See Chapter 4 of this AC for the planning requirements at the property acquisition stage. The acquisition stage plan is prepared by interview of displaced persons prior to the initiation of negotiations for the acquisition of a property. The acquisition stage planning must be sufficient to establish the payment eligibility offer and ensure adequate time is scheduled for the successful relocation of the displaced person.

**b. Realty/Personalty Determination.**

On complex acquisitions of improved commercial/industrial property where a business (farm or non-profit organization) is being displaced for the project a realty/personalty determination must be made and provided the appraiser. Items of personalty are not appraised, and real estate items must not be excluded from the valuation. A formal realty/personalty determination is necessary for complex appraisals and should be developed in consultation with the property owner and any affected displaced tenants. Some items may require advice of legal counsel to determine whether the item is real estate or personalty. Generally an item is considered a fixture and real estate, if removal of the item would destroy the item or would substantially damage the real estate.

**1-11. REAL PROPERTY APPRAISAL (CHAPTER 2).**

The sponsor must appraise the fair market value of the real property to be acquired before the initiation of negotiations with an owner. The property owner shall be given the opportunity to accompany the appraiser on the inspection of the property.

**a. Appraiser Selection.** The sponsor must establish qualification criteria that at a minimum ensure that the appraiser's competency is consistent with the level of difficulty of the appraisal assignment. When selecting appraisers and review appraisers, the sponsor must review the experience, education, training, and other qualifications and use only those professionals determined to be qualified. If the appraisal assignment is complex and/or high cost and a private-fee appraiser is hired to perform this appraisal, the appraiser must be certified under applicable state law.

**b. Review of the Appraisal.** A qualified review appraiser must review each appraisal to ensure conformance to applicable standards and FAA requirements. The review appraiser will approve the appraisal and the amount of the appraised fair market value of the property to be acquired. The airport sponsor should not confuse the appraisal review required by the Uniform Act with an administrative review that consists primarily of a desk check of factual data and information presented in an appraisal report. Rather, the appraisal review prescribed under the Uniform Act is a critical evaluation of the report in all respects—the principal purpose being an assessment of the validity and reasonableness of the final valuation conclusion. The ultimate intent of the review is to produce an adequately documented appraisal and a sound and valid recommendation for the amount of just compensation to be offered to the property owner.

**1-12. REAL PROPERTY ACQUISITION (CHAPTER 3)**

**a. Just Compensation.** Before initiating negotiations for the property, the sponsor must establish an amount that it believes is just compensation for the real property. The amount must not be less than the appraised fair market value approved by the review appraiser.

**b. Written Offer to Purchase.** **Promptly** following the appraisal review and the establishment of just compensation, the sponsor must make a written offer to acquire the property for the **full**

amount of just compensation. The Uniform Act defines the date of this written offer as the [initiation of negotiations](#). The initiation of negotiations typically establishes eligibility for relocation payments for displaced persons who were occupants on the property as of this date. The sponsor's negotiator is to personally contact each owner with the sponsor's written offer of "just compensation". Nonresident owners may be contacted by certified mail.

**(1) Required Negotiations Procedure.** The goal of negotiations is to secure an amicable purchase agreement with the property owner for the just compensation owed for the needed property. The airport must not undertake coercive measures to force agreement. Instead, the airport's negotiator must fully explain the airport offer and help the property owner fully evaluate the airport offer. Value information provided by the property owner must also be given due consideration in negotiations. If the property owner's information is creditable and/or the circumstances of the proposed acquisition change, the airport must update its offer of just compensation.

**(2) Settlement / Condemnation.** Should negotiations fail to secure an agreement, an airport with eminent domain authority may proceed to take the needed property through condemnation. Airports also have discretion to enter administrative settlements where the public interest in a proposed settlement is apparent.

**(3) Possession of the Property.** Once an agreement is reached, the airport must pay the agreed purchase price to the owner. In the case of condemnation, the airport deposits with the court, for the benefit of the owner, an amount not less than the approved appraisal before requiring possession of the needed property. The property owner shall not be required to surrender possession of their real property until just compensation has been paid or deposited with the condemnation court.

### **1-13. RELOCATION ASSISTANCE (CHAPTERS 4 THROUGH 6)**

**a. Sponsor Obligations.** It is the sponsor's obligation under the Uniform Act to provide an adequate relocation assistance program that ensures the prompt and equitable relocation and reestablishment of persons displaced as a result of it's Federally assisted airport projects. The term "person" as defined in the Uniform Act, and as used in this AC, refers to any individual (residential or business occupant), family, partnership, corporation, or association. Sponsors must provide advisory assistance and conduct the relocation program so that displaced persons receive uniform and consistent services and payments regardless of race, color, sex, or national origin. The sponsor must maintain adequate documentation to evidence compliance to the Uniform Act and its grant assurances.

**b. Types of Relocation Assistance.** Relocation assistance activities involve relocation planning, information and notices, advisory services, relocation assistance payments (replacement housing payment, incidental closing costs, increased interest costs, residential moving costs, etc.), nonresidential (business, farms, nonprofit organizations) relocation payments (reestablishment expenses, moving costs), replacement housing of last resort, and mobile homes. The specific procedural requirements for the sponsor to provide the required assistance and payments are detailed in the AC.

### **1-14. PROPERTY MANAGEMENT (CHAPTER 7)**

Property management activities include disposal or demolition of improvements, clearing of trees and vegetation, and interim use or rental of the property until needed for a subsequent construction project, if applicable. Also specific grant assurances apply to the ongoing use or disposal of airport property. The airport must maintain its Exhibit A (see figure 1-2) to ensure it has a current inventory of airport property.

**1-15. SPONSOR CERTIFICATION (CHAPTER 8)**

The sponsor must certify that real property was acquired in conformance with the Uniform Act. In addition, the sponsor must certify, as applicable, that all persons displaced from their homes for the project were offered comparable replacement housing and that all persons in occupancy at the initiation of negotiations had vacated the property and were provided reimbursement of their moving expenses to a replacement site in accordance with the requirements of the Uniform Act. This certification must be provided concurrently with a sponsor's request for reimbursement and shall cover the specific parcels for which the sponsor is requesting reimbursement of costs.

**1-16. RESERVED****Section 3. SPONSOR PROGRAM REQUIREMENTS.****1-17. SPONSOR ORGANIZATION AND STAFFING REQUIREMENTS.**

Conformance to Uniform Act requirements necessitates sufficient professional staff and operational procedures to assure property owners and displaced persons are provided all entitlements and protections contained in the Uniform Act. This AC provides detailed procedural guidance, sample documentation formats and Quality Control requirements to assist sponsor compliance and AIP reimbursement eligibility. Sponsor staff and/or their consultant must demonstrate an adequate working knowledge of 49 CFR Part 24 requirements and the capability and expertise to successfully complete the work proposed in conformance to applicable requirements.

Where the sponsor does not have sufficient qualified staff available for a project, the sponsor may secure qualified property acquisition and relocation consultant services. When soliciting consultants<sup>2</sup>, land acquisition and relocation assistance are considered to be professional program management services and are to be selected based on adequate qualifications. It is recommended that sponsors include the following qualification requirements in their request for proposals/qualifications:

- ✓ An understanding of the governing regulations provided at 49 CFR Part 24, FAA policies described in AC 150/5100-17 and other applicable law and regulation provided under state and local law.
- ✓ Experience and expertise to undertake real property acquisition and relocation assistance functions as prescribed under the governing regulations and FAA AC.
- ✓ Ability to undertake and complete the required work within your proposed project schedule. (***Sponsor project schedule must be realistic and correspond to the availability of qualified resources***).
- ✓ A listing of references for current jobs and completed projects that the Sponsor may contact.

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<sup>2</sup> On AIP funded projects the hiring of appraisers, acquisition and relocation consultants shall conform to requirements of AC 150/5100-14. Appraisal and acquisition/relocation services are included in "certain other related areas" as described in AC 150/5100-14. Eligibility requirements for contracting professional services are detailed in the AIP Handbook (FAA Order 5100.38) in Chapter 9.

- ✓ Education and training evidencing expertise and competence to perform professional real property acquisition and relocation assistance work.
- ✓ Professional designation, license, or certification.
- ✓ Quality Control system to ensure Uniform Act Compliance and adequate documentation to ensure maximum FAA reimbursement. Appendix 3 to FAA AC 150/5100-17 describes minimum Quality Control criteria and sample documentation formats. Quality Control may be separately contracted or provided by qualified Sponsor staff.

#### **1-18. SPONSOR MUST KEEP ACCEPTABLE ACQUISITION AND RELOCATION RECORDS.**

The airport sponsor shall maintain adequate records, including real estate appraisals, acquisition, relocation, and property management records, and other documentation necessary to show compliance to 49 CFR Part 24. Documentation must be in an easily retrievable form and must be available during regular business hours for inspection by representatives of the FAA, Inspector General Office of the Secretary of Transportation, and General Accounting Office. The airport sponsor must keep records for at least 3 years after FAA grant closeout. Chapter 8 provides guidance on required documentation to support the sponsor's grant assurance and certifications to FAA. [Figure 8-2](#) of Chapter 8 provides a documentation checklist for sponsor parcel or project files.

#### **1-19. REQUIRED APPEAL PROCEDURE TO ADDRESS GRIEVANCES UNDER 49 CFR 24.**

**a. Actions that may be appealed.** Any aggrieved person may file a written appeal with the sponsor in any case which the person believes that the sponsor has failed to properly consider the person's application or claim for payments or assistance under the Uniform Act. This assistance may include, but is not limited to, the person's eligibility for, or the amount of, a payment of closing costs and incidental expenses as provided in paragraph 3-10, or certain litigation expenses described at paragraph 3-15, or relocation payments described in chapters 5 and 6. The sponsor shall consider a written appeal regardless of form and shall promptly review appeals. The appeal process is intended for those disputed payment or eligibility determinations that may not be resolved by the sponsor's staff or agent. Where a request for relief is reasonable and has merit for resolution at the agent level however, it is not necessary to pursue the formal appeal process in order to resolve the problem or dispute. Sufficient discretion within program guidelines is available at the agent level to respond to special and individual circumstances and needs.

**b. Time limit for initiating an appeal.** The sponsor may set a reasonable time limit for a person to file an appeal. The time limit shall not be less than 60 days after the person receives written notification of the sponsor's determination on the person's claim or application for a payment.

**c. Right to representation.** A person has the right to be represented by legal counsel or other representative in connection with an appeal, but solely at his or her own expense.

**d. Review of files by person making appeal.** The sponsor shall permit a person to inspect and copy all materials pertinent to the appeal, except materials that are classified as confidential by the sponsor. The sponsor may impose reasonable conditions on a person's right to inspect records, consistent with applicable laws.

**e. Scope of review of appeal.** In deciding an appeal, the sponsor shall consider all pertinent justification and other material submitted by the person, and all other information that is needed to ensure a fair and full review of the appeal.

**f. Determination and notification after appeal.** Promptly after receipt of all information submitted by a person in support of an appeal, the sponsor shall make a written determination on the appeal, including an explanation of the basis on which the decision was made, and furnish the person a copy. If the full relief requested is not granted, the sponsor shall advise the person of their right to seek judicial review of the Sponsor's decision. Normally, the person would be advised to consult their legal counsel to pursue judicial review.

**g. Sponsor official to review appeal.** The official conducting the review of an appeal shall be the sponsor's chief executive officer, or his or her authorized designee. The reviewing official shall not have been directly involved in the action appealed.

#### **1-20. No DUPLICATION OF PAYMENTS.**

No person shall receive any payment required under the Uniform Act, as described in this AC, if that person receives a payment under Federal, State, or local law which is determined by the sponsor to have the same purpose and effect as the payment provided under the Uniform Act. Persons eligible for and opting for publicly assisted housing as their replacement dwelling may only claim replacement housing payments to the monetary extent necessary, if any, to occupy the assisted housing, (see chapter 6). The FAA is available to clarify applicability of this provision should there be apparent conflict between the Uniform Act and another Federal program or mandate.

## Chapter 2. REAL PROPERTY APPRAISAL

### Section 1. REQUIREMENTS

#### 2-1. REQUIRED SPONSOR APPRAISAL PROCESS (49 CFR 24.103 AND 24.104)

On AIP projects the Uniform Act obligates the sponsor to provide an appraisal process that at a minimum shall provide for the following.

a. The sponsor shall appraise the fair market value of the real property to be acquired before the initiation of negotiations with an owner. The sponsor may waive this requirement for an appraisal where the sponsor determines that an appraisal is unnecessary on a particular parcel because the valuation problem is uncomplicated and the estimated fair market value is \$10,000 or less, based on a review of available market data (see paragraph 2-2 below).

b. The sponsor's appraiser shall afford the owner or designated representative an opportunity to accompany the appraiser during the inspection of the property. Letters to the property owners making an offer to allow them to accompany the appraiser should be sent certified mail.

c. As provided in Section 3, the sponsor shall maintain an adequate appraisal review process to establish just compensation prior to the initiation of negotiations. The amount of just compensation established shall not be less than the sponsor's approved appraisal of the fair market value of the property to be acquired.

d. The appraisal of the property to be acquired shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner. In the case of partial acquisitions project influence is disregarded in the before condition appraisal, but the effects of the project must be considered in the after condition appraisal, (also see paragraph 2-13).

e. Appraisers shall not give consideration to, or include in their appraisals, any allowance for relocation assistance benefits.

#### 2-2. APPRAISAL WAIVER

An appraisal is not required if:

a. The owner is donating the property and releases the Sponsor from its obligation to appraise the property, or

b. The Sponsor determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the market value is estimated at \$10,000 or less, based on a review of available data. When an appraisal is determined to be unnecessary, the sponsor shall prepare a waiver valuation of the proposed acquisition to document its determination.

### 2-3. APPRAISER AND REVIEW APPRAISER QUALIFICATIONS.

The sponsor shall establish qualification criteria that at a minimum assure the competency of its appraiser is consistent with the level of difficulty of the appraisal assignment. The sponsor shall review the experience, education, training, and other qualifications of appraisers and review appraisers, and will use only those determined to be qualified. [Figure 2-1](#) presents some generalized criteria for evaluating appraiser and review appraiser qualifications for a particular assignment and/or AIP assisted project. The sponsor may obtain referrals for qualified appraisers and reviewers from other airport sponsors, the local offices of the state highway department, or local housing agencies.

**a. Certification.** All states now license or certify private appraisers in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) providing minimum education and experience requirements for real estate appraisers. Generally, an active state licensed or certified appraiser will have adequate qualifications and is bound by ethics and state law only to accept work for which they are competent. However, a sponsor should not simply rely on the license or certification when hiring appraisers, but should actively solicit the most qualified appraisers available. Also, government agency appraisal staffs may or may not be subject to licensing and certification requirements under particular state law, but regardless are acceptable for AIP work if adequately qualified. If the appraisal assignment requires the preparation of a detailed appraisal, and a private fee appraiser is hired to perform this appraisal, such appraiser shall be certified under applicable state law that conforms to FIRREA requirements.

**b. Soliciting Professional Appraisal and Review Appraisal Services.** On AIP funded projects the hiring of appraisers shall conform to requirements of AC 150/5100-14. The appraiser and review appraiser optimally should be from different appraisal organizations. The sponsor should also contract with the review appraiser before hiring appraisers, since the review appraiser may assist in defining the appraisal [scope of work](#) described at paragraph 2-8, for subsequent parcel assignment to appraisers. The review appraiser can also assist in many administrative aspects, such as application of legal opinions, accurate property descriptions, and guidance on needed appraiser qualifications. FAA Forms 5100-116, and -121 provide acceptable contract documents, (see Appendix 1).

### 2-4. APPRAISAL MANAGEMENT.

On larger projects or programs the sponsor should solicit a sufficient number of qualified appraisers to assure and to support the perception that contract fee appraisers hired are independent appraisers. To this end a single appraiser should not be contracted to the extent that the appraiser's private practice may be viewed as being dependent on the airport work for any extended length of time. Where the sponsor's appraisal staff or that of the sponsor's consultant are to be used, reliance on the professional qualifications and adequate organizational separation of the appraisal function from conflicting activities will assure independence of the appraisal process.

The selection and assignment of multiple appraisers to a project must also consider project efficiencies and recognize that individual appraisers will normally arrive at slightly differing valuations. Appraisal assignments to individual appraisers should therefore be of sufficient scope to allow appraisers to efficiently operate and to minimize valuation inconsistencies on a project. To this end, individual appraisers should be assigned logical groupings of similar and proximate properties.

**2-5. CONFLICT OF INTEREST.**

a. No appraiser, review appraiser or other person making an appraisal or a waiver valuation shall have any interest, direct or indirect, in the real property being valued for the Sponsor that would in any way conflict with the preparation of the appraisal, the waiver valuation or the review of the appraisal. The compensation for making an appraisal or a waiver valuation shall not be based on the amount of the valuation estimate.

b. The Sponsor must ensure an adequate separation of functions in its project organization to preclude any conflict of interest in the performance of professional and independent real property appraisal. On complex and high value acquisitions and on large long term projects, persons functioning as the property negotiator may not supervise or formally evaluate the performance of any appraiser or review appraiser performing appraisal or appraisal review work for the project. **On any real property acquisition for a FAA assisted project no person shall attempt to unduly influence or coerce an appraiser, review appraiser, or waiver valuation preparer regarding any valuation or other aspect of an appraisal, review or waiver valuation (49 CFR 24.102(n)(2)).**

c. No appraiser or other person making an appraisal or a waiver valuation shall act as a negotiator for real property for which that person has made an appraisal or a waiver valuation, except that the Sponsor may permit such person to negotiate an acquisition where the offer to acquire the property is \$10,000, or less.

**2-6. NON-ALLOWABLE LAND COST.**

State law may require a Sponsor to include with its market value appraisal, additional compensation for items required under state law. It is FAA policy that these costs exceed entitlements prescribed in Title 49 CFR, Part 24. Items generally held to be non-compensable in eminent domain include loss of business, payment for goodwill, frustration of development plans, and other limitations described in the [Uniform Appraisal Standards for Federal Land Acquisitions](#) as ineligible for Federal reimbursement. The Sponsor's review appraisal report must identify such items separate from the appraised market value for the acquired real property.

**2-7. RESERVED**

## FIGURE 2-1 - APPRAISER AND REVIEW APPRAISER QUALIFICATIONS

The qualifications of an appraiser and review appraiser must be adequate for the proposed appraisal assignment. The sponsor should seek to hire the best-qualified appraiser for the type of property, the complexity of the acquisition (i.e. whole or partial taking), familiarity and expertise in the local real estate market, and as applicable experience with acquisitions subject to eminent domain. Also, the appraiser must not have any apparent conflict of interest in the property to be acquired, or potentially with a current or prior client relationship with property owners. An appraiser under consideration for an assignment should be able to submit a resume' of qualifications citing some or all of the following qualification criteria.

### **Professional Designations:**

*American Institute of Real Estate Appraisers: Member Appraisal Institute (MAI) and Residential Member (RM)*

*National Association of Independent Fee Appraisers: (IFA)*

*American Society of Appraisers: (ASA)*

*International Right-of-Way Association: (SR/WA)*

*American Society of Farm Managers and Rural Appraisers: (ASFRM)*

*National Association of Master Appraisers*

*Other National and local appraisal organization which grant designations upon completion of educational and experience requirements.*

### **Licensing and Certification under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA):**

State laws implementing FIRREA will require appraisers to meet the mandated educational and experience requirements to secure either a license or certification. State law may only require the license or certification for FIRREA mandated transactions (i.e. typically Federally insured real estate loans), or may be required for all appraisal activity within the state. The Appraisal Qualification Board of the Appraisal Foundation established by FIRREA, instituted appraiser qualifications for a state license or certification. A licensed or certified appraiser may only perform appraisals consistent with the Uniform Standards of Professional Appraisal Practice (USPAP) as required under FIRREA. Adherence to USPAP requires appraisers to meet specific appraisal standards and a code of ethics in accepting and performing appraisals. The appraisal requirements contained in 49 CFR 24.103 have been determined to meet the requirements of USPAP, (Appraisal Foundation Determination, September 1990).

**Educational Background:** Completion of recognized course work in professional real estate appraisal principles, processes, and practices. Course providers may be colleges and universities, professional appraisal organizations, and accredited business and professional schools.

**Experience:** Verifiable experience in the types of property to be appraised. Experience and acceptance as an expert appraisal witness in eminent domain and other court proceedings. Experience with the before and after appraisal process for determining just compensation.

**Client References:** Verifiable listing of appraisal clients.

**Geographic Area of Expertise:** Area where the appraiser has an established practice. Some appraisers and appraisal firms may have a national scope, while often appraisers limit their work to specific local areas where they have developed adequate market databases and are fully familiar with the local markets and real estate trends.

**Confidentiality and Certification:** The appraiser must be able to execute the certification form

## Section 2. APPRAISAL PROCEDURES

### 2-8. APPRAISAL ASSIGNMENT SCOPE OF WORK

Appraisals are to be prepared according to the requirements described in this Chapter, which are intended to be consistent with the Uniform Standards of Professional Appraisal Practice (USPAP).<sup>3</sup> The sponsor's appraisal assignment (solicitation) must contain a scope of work statement to ensure an acceptable appraisal is secured for the FAA assisted project. Figure 2-3 provides a sample scope of work statement. The scope of work should be commensurate with the complexity of the appraisal problem and at a minimum the appraisal scope of work should include the following.

- a. The purpose and/or function of the appraisal (e.g. appraise fair market value).
- b. The appraiser is to perform a Complete Appraisal as defined under Uniform Standards of Professional Appraisal Practice (USPAP).
- c. The appraisal report shall be a written "Self-Contained" or "Summary" appraisal report, as the Sponsor determines necessary for the assignment (also see paragraph 3 below). "Restricted Appraisal Reports" allowable under USPAP are not acceptable for FAA assisted airport projects.
- d. The definition of the estate being appraised e.g. fee simple, easement, leased fee, etc.
- e. The appraiser in developing and reporting the appraisal shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner. If necessary, the appraiser may cite Jurisdictional Exception or Supplemental Standards under USPAP to ensure application of this regulatory requirement.
- f. The appraiser shall afford an opportunity for the property owner to accompany the inspection of the property.
- g. Assumptions and limiting conditions affecting the appraisal.
- h. The data search requirements and parameters.
- i. Identification of the technology requirements, including approaches to value, to be used to analyze the data.
- j. Other specification required to adequately appraise the property and meet FAA and regulatory requirements.

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<sup>3</sup> Uniform Standards of Professional Appraisal Practice (USPAP.) Published by The Appraisal Foundation, a nonprofit educational organization. Copies may be ordered from The Appraisal Foundation at the following URL:  
<http://www.appraisalfoundation.org/html/USPAP2003/toc.htm>.

## Figure 2-3: Sample Scope of Work Statement

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

**SCOPE OF WORK:** The appraiser must, at a minimum:

1. Provide a complete appraisal and self-contained or summary (as determined necessary by sponsor) appraisal report in accordance with USPAP and FAA requirements,

2. Perform a complete visual inspection of the interior and exterior areas of the subject property. The appraisal report shall contain an adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.

3. The property owner will be afforded the opportunity to accompany the appraiser on the inspection of the property.

4. Inspect the neighborhood and proposed project

5. Inspect each of the comparable sales from at least the street,

6. Research, analyze, and verify comparable sales with public sources and with a party to the transaction, buyer, seller, or broker or attorney.

7. The appraiser in developing and reporting the appraisal shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner. If necessary, the appraiser may cite Jurisdictional Exception or Supplemental Standards under USPAP to ensure application of this regulatory requirement.

8. Report his or her analysis, opinions, and conclusions in this appraisal report.

9. The appraisal report must include a sketch of the property and provide the location and dimensions of the improvements. The appraisal shall include adequate photographs of the subject property and comparable sales and provide location maps of the property and comparable sales.

**INTENDED USE:** The intended use of this appraisal is to provide an appraised current fair market value of the property for the proposed acquisition of the property in fee simple for a Federally assisted airport project.

**INTENDED USER:** The intended user of this appraisal report is the Airport Sponsor.

**DEFINITION OF MARKET VALUE\***: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**CERTIFICATION:** In addition to the appraiser's certification required under USPAP, the appraisal shall provide the attached certification (attach [FAA form 5100-111](#) or comparable). Modifications or deletions to the certifications are not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization are permitted.

**ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser shall state all relevant assumptions and limiting conditions necessary. In addition the sponsor may provide other assumptions and conditions that may be required for the particular appraisal assignment, such as:

1. The data search requirements and parameters that may be required for the project.
2. Identification of the technology requirements, including approaches to value, to be used to analyze the data.
3. Need for machinery and equipment appraisals, soil studies, potential zoning changes, etc.
4. Instructions to the appraiser to appraise the property "As Is" or subject to repairs or corrective action.
5. As applicable include any information on property contamination to be provided and considered by the appraiser in making the appraisal.

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\* Or comparable definition as may be defined under the state eminent domain code.

## 2-9. APPRAISAL REPORT REQUIREMENTS.

The Sponsor must assure that the appraisal report reflects established and commonly accepted Federal and federally assisted program appraisal requirements, including to the extent appropriate the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA)<sup>4</sup>. The appraisal report must also conform to applicable state eminent domain law and requirements. Figure 2-2 generally describes acceptable report content and related regulatory requirement. The detail of the appraisal report shall reflect the value and complexity of the appraisal assignment. For low value and non-complex appraisals a summary appraisal report form may be used, as described in paragraph 2-10 below.

At a minimum, among other professional appraisal requirements (e.g. USPAP report standards, UASFLA), the appraisal report must include:

**a.** An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), **including** items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.

**b.** All relevant and reliable approaches to value consistent with established Federal and federally assisted program appraisal practices. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.

**c.** A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.

**d.** A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.

**e.** The effective date of valuation, date of appraisal, signature, and certification of the appraiser.

## 2-10. SHORT FORM APPRAISAL REPORT FOR LOW VALUE AND SIMPLE ACQUISITIONS.

A short-form appraisal report is acceptable for low value and simple acquisitions. Examples of an uncomplicated acquisition are a single-family residence; unimproved residential or small commercial lot or a strip taking from a large parcel not involving significant benefits or damages to the remaining property. The Federal National Mortgage Association (FannieMae) or Federal National Home Loan Bank (FreddieMac) appraisal forms or comparable appraisal report forms in common use are acceptable summary report forms. [FAA Form 5100-112URAR](#) provides a cover sheet for summary appraisal reports citing the applicable FAA requirements to include with the form report.

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<sup>4</sup> The "Uniform Appraisal Standards for Federal Land Acquisitions" is published by the Interagency Land Acquisition Conference. It is a compendium of Federal eminent domain appraisal law, case and statute, regulations and practices. It is available at <http://www.usdoj.gov/enrd/land-ack/toc.htm> or in soft cover format from the Appraisal Institute at <http://www.appraisalinstitute.org/ecom/publications/Books.asp?Books=All> or call 888-570-4545.



## **2-11. APPRAISER AND REVIEW APPRAISER CERTIFICATION**

Each appraisal and review appraisal report shall contain the appraiser's certification that states that to the best of his or her knowledge and belief, the appraisal was conducted in an objective manner and that the conclusions are correct. A new certificate will be prepared when there is a change in the appraisal report that affects the estimate of just compensation or changes the date of valuation. [FAA Form 5100-111](#), Certificate of Appraiser, is an example of a format that may be used. (Note: This certification is required in addition to the certification that may be required of the appraiser in accordance with the Uniform Standards of Professional Appraisal Practice.)

## **2-12. NUMBER OF APPRAISALS NEEDED.**

Unless waived, at least one appraisal is necessary for each parcel to be acquired. The sponsor may secure additional appraisal(s) for a proposed acquisition the Sponsor considers being of a high value and/or containing complex or unusual features or damages.

## **2-13. PARTIAL ACQUISITIONS - BEFORE AND AFTER VALUATION**

A partial acquisition is where only an only part of a property parcel is acquired or only some property rights are to be conveyed leaving the property owner with the fee simple interest. Typical partial acquisitions are a taking of a portion of property's front yard for a road widening or the acquisition of an avigation easement over an owner's property to protect approach slopes. The sponsor shall use the before and after method to appraise partial acquisitions, except where there is clearly no damage to the remaining land or improvements due to a relative minor acquisition of real property. Generally, the value of a partial acquisition (i.e. the part taken) is appraised as the difference in the Before and After value of the property. The "Before Value" is the pre-project value of the real property disregarding any project influence. The "After Value" is the appraised value of the remaining real property without the acquired part or rights and subject project impacts.

## **2-14. REALTY / PERSONALTY DETERMINATION**

On complex acquisitions of improved commercial/industrial property where a business (farm or non-profit organization) is being displaced for the project a realty/personalty determination must be made and provided the appraiser. Items of personalty are not appraised, and real estate items must not be excluded from the valuation. A formal realty/personalty determination is necessary for complex appraisals and should be developed in consultation with the property owner and any affected displaced tenants. Some items may require advice of legal counsel to determine whether the item is real estate or personalty. Generally an item is considered a fixture and real estate, if removal of the item would destroy the item or would substantially damage the real estate.

Where tenant ownership of real estate items is established, the inventory of tenant owned improvements is provided the appraiser for a valuation of the contributory value of this property to the real estate to be acquired. Specific regulatory and procedural requirements apply to the acquisition of tenant owned improvements. These requirements are described in [paragraph 3-13](#)

## 2-15. APPRAISAL OF AVIGATION EASEMENTS ACQUIRED FOR AIRPORT OPERATIONS AND STANDARDS.

**a. Appraisal requirement.** An appraisal is usually required for the purchase of avigation easements necessary for airport approaches. If the underlying land is improved or if the easement restrictions may significantly affect the highest and best use of the property, then typically the easement acquisition is considered complex and appraisal is required. Even though the value appraised may often be nominal (under \$10,000) an appraisal is required when necessary to evaluate the property and effect of the proposed easement on the market value of the property. Where the easement acquisition will not affect the remainder land or improvements (e.g. approach easement over agricultural land), the appraiser may apply a “part taken” approach citing their supported finding that the easement conveyance and use has no affect on remainder property.

(1) The [appraisal waiver](#) may be applied for an uncomplicated easement acquisition, e.g. no impact on land use and reasonable value is apparent; and the market value is estimated at \$10,000 or less. However, when the appraisal waiver may be applied, the compensation value must not be set arbitrarily at the \$10,000 maximum value. The easement compensation must be reasonable and relate to the actual value range for the non-complex easement acquisition.

**b. Description of easement.** Where it is determined that fee title is not necessary, an avigation easement may be used to secure airspace for airport and runway approach protection and for noise compatibility programs. An avigation easement is a conveyance of airspace over another property for use by the airport. The owner of an easement-encumbered property (servient property) has restricted use of their property subject to the airport sponsor’s easement (dominant property) for overflight and other applicable restrictions on the use and development of the servient parcel. Easement rights acquired typically include the right-of-flight of aircraft; the right to cause noise, dust, etc.; the right to remove all objects protruding into the airspace together with the right to prohibit future obstructions or interference in the airspace; and the right of ingress/egress on the land to exercise the rights acquired. The avigation easement on the property shall “run with the land” and any future owners use of the servient parcel is also restricted as described in the avigation easement.

Figure 2-3 generally identifies the property rights that may be acquired by easement from a property. It is imperative that the easement and the appraisal reflect the specific easement estate proposed for acquisition. Where right of flight is required, lesser rights, such as clearance easements, are not sufficient to protect an airport owner from future claims of property owners due to over flights. In developing easement language a sponsor should secure legal advice and confirmation that the easement is sufficient to provide the property rights needed.

**c. Airspace.** Avigation easements are typically acquired for airspace requirements as indicated on the airport layout plan, including the approach area and approach protection zone layout. This layout depicts the imaginary surfaces for the airport based on FAR Part 77 criteria, the existing and ultimate approaches, height and slope protection, a plan and profile for approach protection zones and approach areas, and location and elevation of obstructions to air navigation as identified by the imaginary surfaces. Airport imaginary surfaces are established with relation to the airport and to each runway. The size of each such imaginary surface is based on the category of each runway according to the type of approach available or planned for that runway.

**d. Runway Protection Zone (RPZ).** The RPZ is trapezoidal in shape and centered about the extended runway centerline and begins 200 feet beyond the end of the area usable for takeoff and landing. FAA Advisory Circular AC 150/5300-13, Airport Design, describes in detail the dimensions, configuration and location of an RPZ to the associated airport runway. It is recommended that the RPZ be acquired in fee, however if this is not practical, an easement must be acquired that adequately restricts land use. The easement acquired must provide for the height restrictions required to protect FAR Part 77 surfaces and restrict current and future use of the land surface to preclude incompatible uses. Incompatible uses within the RPZ include land use for residences and places of public assembly (churches, schools, hospitals, office buildings, shopping centers, and other uses with similar concentrations of persons) and other uses inconsistent with airport operations.

**Figure 2-2 Avigation Easements**

<b>Easement Scope</b>	<b>Property Rights Acquired</b>	<b>Duration</b>
<i>Model Aviation and Hazard Easement</i>	<ol style="list-style-type: none"> <li>1. <i>Right of flight at any altitude above acquired surfaces.</i></li> <li>2. <i>Right to cause noise, vibrations, fumes, dust, fuel particles.</i></li> <li>3. <i>Prevent erection or growth of all objects above acquired surfaces.</i></li> <li>4. <i>Right of entry to remove, mark, or light any structures or growth above acquired surfaces.</i></li> <li>5. <i>Prohibit creation of electrical interference or directed lighting or glare from the property.</i></li> <li>6. <i>Others as necessary.</i></li> </ol>	<i>Until Airport is Abandoned</i>
<i>Limited Avigation Easement</i>	<ol style="list-style-type: none"> <li>1. <i>Right of flight at any altitude above acquired surfaces.</i></li> <li>2. <i>Prevent erection or growth of all objects above acquired surfaces</i></li> <li>3. <i>Right of entry to remove, mark, or light any structures or growth above acquired surfaces</i></li> </ol>	<i>Until Airport is Abandoned</i>
<i>Clearance Easement</i>	<ol style="list-style-type: none"> <li>1. <i>Prevent erection or growth of all objects above acquired surfaces</i></li> <li>2. <i>Right of entry to remove, mark, or light any structures or growth above acquired surfaces.</i></li> </ol>	<i>Until Airport is Abandoned</i>

**2-16. APPRAISAL OF NOISE AVIGATION EASEMENTS.**

Outright purchase of an avigation easement for an airport's noise compatibility program (NCP) or as mitigation for an expansion project may require an appraisal. An appraisal is **not** required for easements conveyed in exchange for other noise mitigation measures provided under an airport's Noise Compatibility Program, such as soundproofing, or purchase/sales assurance or transaction assistance. Following are the general considerations the sponsor and their appraiser should make when appraising the market value of a proposed easement acquisition for noise compatibility.

**a. Before Value Appraisal.** The appraisal of avigation easements to be acquired for a NCP must consider the existing noise impact, as indicated by the noise contour that the participating property is located. The existing noise impact is not an influence of the NCP and is properly considered in the before condition appraisal. **Therefore, comparable sales to value the before condition would be selected from the same noise contour as the property appraised.**

In contrast, on a airport expansion project that proposes or requires noise easements to be acquired, the new or increased noise impacts resulting from the expansion project would be disregarded in the appraisal of the before condition. **Therefore, sales selection for expansion projects may properly be made from areas that represent the pre-project noise condition unimpacted by project development.**

**b. After Value.** Where there is not a significant physical effect or a proposed change in proximity of airport operations from the before condition, the task of the appraiser is to measure and report the effect of the easement conveyance on a subsequent market sale. Typically, this will be the measure of market value of an easement acquired as a mitigation measure of an airport's NCP. Specific market data corresponding and indicating to this value may be difficult to find. The following list market data sources and techniques that should be investigated by the appraiser.

(1) Sales of similar property encumbered with avigation easements when compared directly with the subject property will yield the after value. Recent resales of properties that had formerly conveyed easements for noise compatibility purposes will provide the best indication of the after value.

(2) Airport noise compatibility programs may jointly offer sales assurance or easement acquisition as an approved mitigation measure. The sales assurance option involves the sponsor assisting homeowners to move from noise impacted areas by assuring the owner the appraised fair market value of their property on a timely sale. In exchange for this assistance, the property is listed on the open market as being subject to the airport's avigation easement and is purchased by a buyer with full knowledge of the easement restrictions on the property. The actual experience of properties sold subject to easements under a sponsor's sales assurance option will provide a good indication of avigation easement value. For noise compatibility programs the property is appraised "as is" subject to the existing noise impact, and any loss in value from the appraised value may then be attributed directly to the imposition of the avigation easement on the property.

(3) Sales of easement encumbered properties adjacent to a comparison airport to analyze the influence of those easements on affected properties at that site. This analysis can then be related to the properties currently being encumbered with easements at the subject airport. Although sales near different airports may involve variations in airport type, size, and use, all available sales data should be investigated, included in the appraisal, evaluated by the appraiser, and either assigned appropriate weight or disregarded;

(4) Market Analysis Techniques. Given a lack of specific market experience with avigation easements, statistical analysis of relevant market activity employed under mass appraisal techniques may provide reliable value conclusions for the purchase of avigation easements. For Part 150 noise projects the appropriate factor to be isolated for analysis is the effect on property value due to the imposition of an easement on a property owner's title, and not the pre-existing effects of airport proximity and noise exposure. A value indication may be concluded by analysis of the relative sales experience of properties that are subject to other type of confiscatory easements, (such as for high voltage power transmission lines, high pressure gas

lines, highway slope, public open space, etc.), versus the sales experience of comparable property similarly exposed to an adverse influence, but not encumbered with an easement. This sales experience of properties encumbered with easements compared to that of properties that only adjoin utility and highway right-of-ways may be a source of appropriate market information.

(5) Lacking sufficient specific data to draw reliable conclusions from the above analysis, general market wide analysis of the typical marketing time of comparable properties unencumbered and of properties with encumbered title, (e.g. easements, deed restrictions, encroachments, liens, or other title imperfections), may provide useful information to conclude a reasonable market discount necessary to attract a buyer for a timely sale of a property subject to the proposed easement. Local assessor files and title companies in an area may be able to provide comparable information on property encumbrances.

(6) Ultimately, based on the best market information reasonably available, value conclusions are derived from sound professional appraisal judgment to bracket the avigation easement value based on the market sales experience of properties subject to encumbrances judged to have relative more or less impact on a sale at market value.

## **2-17. APPRAISAL OF PROPERTIES CONTAINING HAZARDOUS MATERIALS.**

Cleanup or waste disposal costs are normally reflected in a property's salability, thereby, generally impacting the market value. In appraising such property for airport project purposes, the impact of any hazardous materials affecting the property and the level of treatment needed to control or cleanup the property needs to be considered and reflected in the appraised market value.

**a. Identification of Hazardous Materials Sites.** Prior to commencing work on preparation of the appraisal, the real estate appraiser must be given specific instructions to consider the impacts on value of the parcel to be appraised. The appraiser usually is not a specialist or expert on handling hazardous materials or in the costs of control, cleanup or removal, and should not be expected to make these determinations. Therefore, these matters and related costs should have already been determined by adequate environmental audit (see paragraph 1-13) during earlier project development, and the findings given to the appraiser for consideration in valuing the affected property. The degree to which the hazardous materials impact the value of the property is a matter that the appraiser must determine.

**b. Commercial/Industrial properties.** In appraising commercial and industrial properties impacted with hazardous materials, the following situations may be encountered:

(1) The property contains hazardous materials that must be cleared before any further use or activity, existing or otherwise, can be carried out on the property. In these instances, where the airport acquires the property prior to hazardous materials clearance, the appraised value must be made on the potential highest and best use less the cost of clearing the materials in compliance with existing regulatory criteria.

(2) The property contains hazardous materials, but clearing or disposal may be delayed until a future date. In such instances, the property should be valued as unimpaired less the present worth of the estimated cost to clean up at a future date. Full consideration must be given to the influence any existing hazardous material may have on the value of the property.

(3) The property has building components and/or site improvements that contain hazardous materials, which upon demolition or refurbishing will require removal and disposal meeting applicable environmental pollution and health regulations, (e.g. non-friable asbestos containing materials, PCB's, lead paint, acid sludge's, other regulated toxic and hazardous

materials). The appraiser's estimate of accrued depreciation for these items and cost to cure to replace worn components must consider these removal and disposal costs.

(4) The property contained hazardous materials that have been cleared or disposed of by the owner prior to acquisition by the airport owner. If the cleanup is in accordance with applicable government requirements, the property may be appraised and valued as if exposed for sale on the open market, recognizing the extent of site remediation completed and any future risk of additional clean-up liability. Comparable sales of remediated property would be the best indicator of value, if available.

**c. Residential Property.** Residential properties that may contain hazardous materials in its building components, should be appraised "as is" subject to the following conditions:

(1) Should the real estate market indicate a value adjustment for the presence of the hazardous materials on the property the appraiser should incorporate this market factor in the appraisal.

(2) Existing conditions such as friable asbestos, exposed and the appraiser must consider chipping lead paint, or other hazardous conditions that require correction or remediation prior to selling a property and the cost to cure these conditions properly accounted for in the appraised fair market value. This situation is analogous to normal property condition considerations in an appraisal such as defective plumbing, depreciated roofing components, worn out carpeting, etc. for which the appraiser would properly adjust for and reflect in the appraised market value.

(3) Consideration of the present value of the expected demolition costs to remove the improvements and adequately dispose of the hazardous materials should be made in the appraisal of interim use properties and properties with highly depreciated improvements with a relative short term remaining economic life, e.g. less than 7 years.

### **Section 3. APPRAISAL REVIEW**

#### **2-18. RESPONSIBILITY OF AIRPORT SPONSOR.**

For any acquisition of real property for an AIP assisted project, the sponsor shall have an appraisal review process and, at a minimum:

a. A qualified review appraiser shall examine the presentation and analysis of market information in all appraisal reports to assure that they:

b. Conform to the following regulatory definition of appraisal (per 49 CFR 24.2(a):

(1) The term appraisal means 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."

c. Meet applicable FAA and 49 CFR 24 appraisal requirements described in Section 2

d. Provide adequate documentation and support of the appraiser's opinion of value.

e. The review appraiser shall, prior to acceptance, seek necessary corrections or revisions.

f. The review appraiser shall report the approved appraised value as the recommended amount of just compensation to be offered the property owner.

g. The review appraiser shall identify each appraisal report reviewed as:

(1) **Recommended** as the basis for the establishment of the amount believed to be just compensation,

(2) **Accepted** and meets all requirements, but not selected as approved, or

(3) **Not Accepted**. The appraisal failed to meet requirements for acceptance and value opinion is not considered correct or supported.

h. If the review appraiser is unable to approve an appraisal as an adequate basis for the establishment of the offer of just compensation, and it is determined by the Sponsor that it is not practical to obtain an additional appraisal, the review appraiser may develop appraisal documentation in accordance FAA requirements to support an estimate of just compensation. The review appraiser report shall include the additional analysis and documentation required to supplement the reviewed appraisals and support the approved appraised value. No further appraisal review is required.

## **2-19. REVIEW APPRAISAL REPORT.**

The review appraiser shall prepare a written report that identifies the appraisal reports reviewed and documents the findings and conclusions arrived at during the review of the appraisal(s). Any damages or benefits to any remaining property shall be identified in the review appraiser's report. The review report should identify those damage items compensable under state law but not generally held to be compensable under eminent domain and [not eligible for Federal reimbursement](#), if any. The appraisal review report shall state the approved appraised value as the basis for the sponsor's offer of just compensation.

## Chapter 3. REAL PROPERTY ACQUISITION

### Section 1. REQUIREMENTS

#### 3-1. SPONSOR OFFER OF JUST COMPENSATION.

At a minimum the sponsor shall meet the following requirements to present an acceptable purchase offer to a property owner for their real property or an interest in their real property. The sponsor should plan and schedule its acquisition process in order to accommodate the following steps to prepare its offer of just compensation to initiate purchase negotiations with the property owner.

**a. Expeditious acquisition.** The Sponsor shall make every reasonable effort to acquire the real property expeditiously by negotiation of an amicable purchase agreement. The sponsor will need to provide sufficient time prior to project need ([lead time](#)) to allow for an adequate appraisal and appraisal review, and sufficient time for the property owner to consider the sponsor's just compensation offer.

**b. Adequate property survey and description.** Whole property may be acquired by deed description, as supported by adequate title investigation. Partial acquisitions must be described by adequate survey of the part required and description of the remainder tract.

**c. Property title search.** The sponsor shall determine the legal property owner and the condition of marketable title for acquisition. Typically a title insurance commitment is secured to evidence marketable title and any exceptions to be cleared.

**d. Notice to owner.** As soon as feasible, (no later than the appraisal assignment), the Sponsor shall notify the owner in writing of the Sponsor's interest in acquiring the real property and the basic protections provided to the owner by law and this part. The FAA brochure, [Land Acquisition for Public Airports](#), may be used to provide this general information notice.

**e. Appraisal Requirement.** Before the [initiation of negotiations](#), the real property to be acquired shall be appraised, unless the [appraisal waiver](#) is applicable as described in Chapter 2; or the owner is donating the property and releases the sponsor from its obligation to appraise the property

**f. Appraisal Review and Sponsor Just Compensation Offer.** Before the initiation of negotiations, the Sponsor shall establish an amount which it believes is just compensation for the real property. The just compensation offered at the initiation of negotiations shall not be less than the amount of the appraised market value of the property approved by the review appraiser. In the case of a partial acquisition the approved market value will take into account the value of allowable damages or benefits to any remaining property.

#### **g. Written Offer Required.**

(1) Promptly after the review appraiser approves the appraisal, the sponsor shall make a timely written offer to the owner to acquire the property for the full amount of just compensation. A sample offer letter is shown in figure 3-1.

**Figure 3-1. Example of an Offer Letter and Summary Statement**

Dear Property Owner:

The Orville Airport Authority is undertaking a project for construction of improvements to the Orville Municipal Airport. The proposed project has been designed to minimize the disruption to the community and especially to minimize the need to acquire private property. However, sound design and cost efficiency require the acquisition of some private property to accomplish the project, including (a portion of) your property located at 123 Main Street, Orville and as further described below. The airport may only acquire your property upon payment of just compensation to you for the fair market value of the property required and any resulting damages to your remainder property due to the acquisition for the subject project. To this end we have had your property appraised by qualified real estate appraisers and have determined the amount of just compensation to be \$87,500.

The airport authority is therefore offering you \$87,500 for the purchase of the needed property and compensation for all resulting damages. Enclosed are a proposed purchase agreement contract, survey plat of the needed property, and exact legal description of the property to be acquired for your review. Also, enclosed is a brochure entitled "Land Acquisition for Public Airports" which explains your rights and benefits for the conveyance of your property and (as applicable) relocation to a replacement property.

The amount offered as just compensation is fair and full compensation for the proposed acquisition, and we sincerely wish to come to amicable agreement with you for the acquisition of your property. The airport representative presenting this offer to you will explain the offer and proposed acquisition to you, and is available to answer any questions and concerns you have now and throughout the negotiations process.

Thank you for your consideration.

Sincerely,

Airport Director

**SUMMARY OF JUST COMPENSATION:**

**Dwelling, garage and 12000 sq.ft. of land - \$87,500**

**(2) Summary of Just Compensation.** The written offer shall include a summary statement of the basis of the just compensation offer that shall include:

**(a)** 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 stated separately.

**(b)** A legal description or adequate location identification of the real property and the interest in the real property to be acquired.

**(c)** An inventory of the buildings, structures, and other improvements (including removable building equipment and trade fixtures) to be acquired by the sponsor's offer of just compensation. To comply with 49 CFR 24, any building, structure, fixture, or other improvement that would be real property if owned by the owner of the land will be considered to be real property notwithstanding the right or obligation of a tenant, such as against the owner of any other interest in the real property, to remove such improvement at the expiration of the lease term.

**(d)** Where appropriate, the summary statement shall identify any other separately held ownership interest in the property, e.g., a tenant-owned improvement, and indicate that such interest is not covered by this offer.

### **3-2. EXCESS LAND.**

When the sponsor acquires a parcel of land, other than an uneconomic remnant, that is in excess of airport needs, or contains improvements not needed for aeronautical purposes, the grant reimbursement may be based on the full value of the parcel, including that part which is excess, provided that the land or improvements will be immediately disposed. The net proceeds from the sale of the excess property will be deducted from the grant amount before project closeout. In cases where the sponsor does not intend to sell the excess property immediately after acquisition, the amount of the purchase price attributable to such excess property should not be included in the grant.

The cost of acquiring uneconomic remnants, as required at paragraph 3-9(e), may be submitted for Federal reimbursement. The remnant parcel may be incorporated into airport property, or upon disposal for non-airport purposes sales proceeds are credited to AIP grant funds.

### **3-3. DONATIONS.**

Property owners whose real property is to be acquired for an airport project may make a gift or donation of the property, or any part of it, or any of the just compensation amount, to the airport sponsor. A donation may be made at any time during the development of a project or during the acquisition phase of the project. At the time of the donation the property owner must be informed of his or her right to receive just compensation. Also, the sponsor has the obligation to perform an appraisal of just compensation and disclose the amount to the property owner, unless the owner releases the sponsor from this obligation. The sponsor shall document in writing the owner's acknowledgment and waiver of the right to just compensation. The sponsor is cautioned that prior to accepting a donation, ownership of the property must be verified and adequate title assured, and assurance secured that the property is not subject to hazardous waste contamination and/or clean-up liability that may exceed the value of the property.

**3-4. PURCHASE OF LIFE ESTATES.**

A life estate, in lieu of full fee title, may be considered an eligible project expense with concurrence of FAA. A life estate may be desirable for a property owner and an acceptable acquisition where possession of the property may be deferred indefinitely. Property owner requests to convey life estates have been found acceptable for FAR Part 150 projects. Where life estates may be acceptable the following terms and conditions should be included in life estate transactions:

- a. The life use occupant shall not add to or materially alter the character of existing improvements or structures, initiate any new construction, or change the topography of the land without first having obtained permission of the airport owner.
- b. Any building or structure damaged or destroyed by fire or other casualty, deteriorated by the elements, or wear and tear may be maintained, repaired, renovated, remodeled, or reconstructed as long as the basic character of the building or structure is not materially altered.
- c. The life use occupant shall keep the grounds of the property in a clean and neat condition and shall maintain all structures and improvements in good repair. The occupant is responsible for all costs of maintenance, repair, and utility charges.
- d. The life use occupant is responsible for the payment of any taxes or assessments that may be levied against the occupant's interest in the reserved property.
- e. The life use occupant shall hold the airport owner harmless for any liability arising out of the use of the reserved property. The occupant shall carry such public liability insurance as is customary by homeowners in the vicinity, provided such insurance is available. The occupant is also responsible for insuring his or her interest in the reserved property.

**3-5. ACQUISITION OF PROPERTY CONTAINING HAZARDOUS MATERIALS.**

The Sponsor must not acquire property contaminated with hazardous materials without adequate prior investigation and proper contractual and valuation safeguards. As is feasible, the sponsor should not acquire the property in its contaminated state, and as feasible cleanup should be completed prior to acquisition. It is necessary that hazardous material contamination problems be dealt with at the earliest stage of the project development (also see FAA Order 5050.4).

a. If hazardous materials are discovered during the appraisal or negotiations process the Sponsor at a minimum should take the following measures to determine the extent of contamination and cleanup costs.

(1) Determine legal responsibility for any identified problem and the required time frame for remediation under state/local regulations. If not done so previously, consultation should be initiated with the appropriate state environmental protection agency concerning action required on the contaminated property.

(2) Consult with and advise the property owner of the identified problem and request that the owner resolve any problems within a specified time.

(3) As appropriate and in accordance with applicable law or regulation the contaminated property should be referred to the responsible enforcement agency to secure site clean up.

(4) If the property owner agrees to a remediation plan, the purchase agreement shall include a contractual obligation for the control or cleanup to occur at the property owner's expense that complies with applicable requirements and to an agreed cleanup schedule. The Sponsor should retain a portion of the acquisition price of the subject property to sufficiently cover the testing and control and/or cleanup costs of the contaminants. After the government agency with enforcement jurisdiction has certified property as adequately mitigated, the net amount of the acquisition price withheld may be paid to the property owner.

(5) If any proposed acquisition requires a Phase II or Phase III ESA, it MUST be coordinated with the FAA prior to initiating the next phase in the ESA process, and more importantly, prior to continuing the negotiation process.

### **3-6. MINIMUM PAYMENT NEGOTIATIONS.**

The minimum payment procedure provides an equal monetary offer to all similarly affected property owners where the appraisal waiver provision is invoked, (see paragraph 2-2). This procedure recognizes that given the nominal value appraisal waiver, it is also unnecessary to establish an exact just compensation amount specific to each property. Therefore, a single amount may be established from the market or project analysis to be offered as just compensation for similar nominal acquisitions. This procedure is an expedited negotiations process to efficiently provide payment of the indicated nominal compensation. It is FAA policy however, that just compensation may only include fair market value considerations, and the project cost savings secured by this procedure may not be added to the just compensation amount offered to property owners.

To assure adequate compensation is provided under this procedure, the value range established for minimum payment negotiations should reflect pessimistic to optimistic assumptions on the value of a proposed nominal acquisition. For example, suppose adequate market and project analysis indicates that imposition of an aviation easement on a homogeneous group of properties participating in an sales assurance/easement acquisition project of an airport's approved noise compatibility program, is determined to result in a 2% to 4% loss in market value of participating properties with current fair market values ranging from \$45,000 to \$60,000. This analysis then yields a dollar value range for the easement to be conveyed from this group of property of \$900 to \$2400. With this information the sponsor may determine that a minimum offer up to \$2400 is adequate to compensate all these property owners for the conveyance of the proposed aviation easement. As this amount is within the appraisal waiver requirement, no further appraisal documentation is necessary to establish the minimum amount of just compensation to be offered.

The minimum payment procedure, by its nature, is conducted strictly on a one price and single offer basis. Under these procedures protracted negotiations should not be conducted, nor typically may administrative settlement criteria be applied to secure individual settlements. Successful sponsor use of this procedure relies on a concise negotiations effort involving well developed written offers and presentation to property owners that assure and convince the property owner that the offer made reflects sound valuation considerations and represents the airport's best offer for the acquisition of the aviation easement. Also, these provisions would not be applicable to a project where there is a diverse mix of residential property types and values where a consistent market standard cannot be determined, or where value in excess of nominal value is indicated. The appraisal waiver and minimum payment negotiations procedure are optional methods, and a sponsor, at its discretion, may opt for the traditional approach with full FAA participation.

### 3-7. UTILITY RELOCATION.

In the development of an airport project there are times when a utility (electric, gas, telephone, sewer, water, etc.) must be relocated to accommodate the proposed airport work and use of a property. If the utility company owns an interest--either fee or easement--in the utility right-of-way to be acquired, and the utility must be moved to another location as a result of the project, the relocation, adjustment, and resulting costs can be reimbursed to the utility company as an eligible project cost. The sponsor should enter into a reimbursable agreement with the utility company in order to establish the total costs involved in the relocation, including a new right-of-way if necessary. The agreement requirements are fully described in Federal Highway Administration Regulation, 23 CFR 645, Subpart A, entitled "Utility Relocation, Adjustments and Reimbursements." The FAA project manager can provide a copy of this regulation.

### 3-8. RESERVED

## Section 2. PURCHASE NEGOTIATIONS

### 3-9. BASIC NEGOTIATION PROCEDURES.

The sponsor shall make all reasonable efforts to contact the owner or the owner's representative and discuss its offer to purchase the property, including the basis for the offer of just compensation and explain its acquisition policies and procedures, including its payment of incidental expenses (as described in paragraph 3-10 below). The owner shall be given reasonable opportunity to consider the offer and present material which the owner believes is relevant to determining the value of the property and to suggest modification in the proposed terms and conditions of the purchase. In order to satisfy this requirement, Sponsors must allow owners time for analysis, research and development, and compilation of a response, including perhaps getting an appraisal. The needed time can vary significantly, depending on the circumstances, but thirty (30) days would normally be the minimum time these actions can be reasonably expected to require. Regardless of project time pressures, property owners must be afforded the opportunity to evaluate the airport's purchase offer.

**a. Updating offer of just compensation.** The sponsor shall consider the owner's presentation of valuation information. If the information presented by the owner, or a material change in the character or condition of the property, indicates the need for new appraisal information, or if a significant delay has occurred since the time of the appraisal(s) of the property, the sponsor shall have the appraisal(s) updated or obtain a new appraisal(s). If the latest appraisal information indicates that a change in the purchase offer is warranted, the Sponsor shall promptly reestablish just compensation and offer that amount to the owner in writing.

**b. Coercive action.** The sponsor shall not advance the time of condemnation, or defer negotiations or condemnation or the deposit of funds with the court, or take any other coercive action in order to induce an agreement on the price to be paid for the property.

**c. Administrative settlement.** The purchase price for the property may exceed the amount offered as just compensation when reasonable efforts to negotiate an agreement at that amount have failed and the Sponsor approves such administrative settlement as being reasonable, prudent, and in the public interest. When Federal funds pay for or participate in acquisition costs, a written justification shall be prepared, which states what available information, including trial risks, supports such a settlement. Also see Section 2.

**d. Payment before taking possession.** Before requiring the owner to surrender possession of the real property, the Sponsor shall pay the agreed purchase price to the owner, or in the case

of a condemnation, deposit with the court, for the benefit of the owner, an amount not less than the Sponsor's approved appraisal of the market value of such property, or the court award of compensation in the condemnation proceeding for the property. In exceptional circumstances, with the prior approval of the owner, the Sponsor may obtain a right-of-entry for construction purposes before making payment available to an owner.

**e. Uneconomic remnant.** If the acquisition of only a portion of a property would leave the owner with an uneconomic remnant, the Sponsor shall offer to acquire the uneconomic remnant along with the portion of the property needed for the project. As defined at 49 CFR 24.2(a) an uneconomic remnant is a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property, and which the Sponsor has determined has little or no value or utility to the owner.

**f. Fair rental.** If the Sponsor permits a former owner or tenant to occupy the real property after acquisition for a short term or a period, subject to termination by the Sponsor on short notice, the rent shall not exceed the fair market rent for such occupancy.

**g. Inverse condemnation.** If the Sponsor intends to acquire any interest in real property by exercise of the power of eminent domain, it shall institute formal condemnation proceedings and not intentionally make it necessary for the owner to institute legal proceedings to prove the fact of the taking of the real property.

**h. Conflict of interest.** No appraiser or other person making an appraisal or a waiver valuation shall act as a negotiator for real property for which that person has made an appraisal or a waiver valuation, except that the Sponsor may permit such person to negotiate an acquisition where the offer to acquire the property is \$10,000, or less.

**i. Negotiations Contact Record.** To document compliance the Sponsor's negotiator must maintain adequate records of the negotiation contacts with the property owner and/or the owner's representative. The record shall be written in permanent form and completed within a reasonable time after each contact with the property owner. Contact entries should indicate the date, place of contact, persons present, offers made (dollar amounts), counteroffer, and the sponsor's response to any valuation information provided by the property owner. When negotiations are successful, the negotiator will certify that the written agreement embodies all considerations agreed to between the negotiator and the property owner and that agreement was reached without coercion. When negotiations are unsuccessful, the negotiator shall record recommendations for whatever action is considered appropriate along with any additional information essential to further processing of the acquisition. The report will be signed and dated by the negotiator.

### **3-10. EXPENSES INCIDENTAL TO TRANSFER OF TITLE.**

As soon as practicable after the date of payment of the purchase price or the date of deposit in court of funds to satisfy the award of compensation in a condemnation proceeding, whichever is earlier, the airport owner will reimburse the property owner for all reasonable expenses necessarily incurred for:

**a.** Recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions of the real property, and similar expenses incidental to conveying the real property to the airport owner. However, the airport owner is not required to pay costs solely required to perfect the property owner's title to the real property;

**b.** Penalty costs and other charges for prepayment of any preexisting recorded mortgage entered into in good faith encumbering the real property; and

c. The pro rata portion of any prepaid real property taxes which are allocable to the period after the airport owner obtains title to the property or effective possession of it, whichever is earlier.

d. Whenever feasible, the airport owner shall pay these costs directly so that the property owner will not have to pay such costs and then seek reimbursement at a later date.

e. The above expenses may be set forth on the closing statement furnished to the property owner. The claim for these expenditures may be submitted on FAA Form 5100-119, Claim for Reimbursement of Expenses Incidental to Conveyance of Real Property.

### **3-11. CLOSING ON ACQUIRED LAND.**

The Sponsor must provide evidence to the FAA that adequate title has been obtained. The interest obtained must be sufficient to allow the airport owner to carry out the obligations and covenants in the grant agreement and be free of encumbrances that might deprive the airport of possession or control for public airport purposes. Appendix 4 provides a sample Sponsor Title Certification.

### **3-12. ACQUISITION OF EASEMENTS OR OTHER PARTIAL INTERESTS IN REAL PROPERTY.**

The sponsor shall acquire property rights sufficient for the operation and maintenance of the AIP assisted project. Eligible land acquisition for airport development is described in the AIP Handbook at Chapter 7 and Chapter 8 for Noise Compatibility projects. Consistent with AIP eligibility generally fee simple acquisition is required for airside development and for the Runway Protection Zone (RPZ). If fee simple acquisition is determined to be not practical for the RPZ, the sponsor may acquire an aviation easement that adequately restricts land use and precludes incompatible land use. Acceptable restrictions for an acceptable RPZ easement acquisition are described in [Paragraph 2-15. Appraisal of Aviation Easements.](#)

### **3-13. ACQUISITION OF TENANT-OWNED IMPROVEMENTS.**

When acquiring any interest in real property, the Sponsor shall offer to acquire at least an equal interest in all buildings, structures, or other improvements located upon the real property to be acquired, which it requires to be removed or which it determines will be adversely affected by the use to which such real property will be put. This shall include any improvement of a tenant-owner who has the right or obligation to remove the improvement at the expiration of the lease term.

a. Any building, structure, or other improvement, which would be considered to be real property if owned by the owner of the real property on which it is located, shall be considered to be real property for purposes of acquisition.

b. No payment shall be made to a tenant-owner for any real property improvement unless:

(1) The tenant-owner, in consideration for the payment, assigns, transfers, and releases to the airport owner all of the tenant-owner's right, title, and interest in the improvement; and

(2) The owner of the real property on which the improvement is located disclaims all interest in the improvement; and

(3) The payment does not result in the duplication of any compensation otherwise authorized by law.

c. Just compensation for a tenant-owned improvement is the amount that the improvement contributes to the fair market value of the whole property, or its salvage value, whichever is greater. When estimating the value of tenant-owned improvements, value in place and contributory value are essentially the same. The following procedure is used to estimate the value of tenant-owned improvements:

(1) Determine highest and best use of the property and then allocate value of tenant-owned improvements from the value of the whole.

(2) Consider full value or interim use value of tenant owned improvements as follows:

(a) Full contributory value in place of building, structure, or other improvements for their remaining economic life when such building, structure, or other improvements are consistent with the highest and best use of the land, or

(b) Interim use value of the buildings, structure, or other improvements which is not the highest and best use of the land for a specific time period longer than the lease term (include present worth of salvage value), or

(c) Value in place of the building, structure or other improvement, plus the present worth of the salvage value at the end of the lease term.

(d) Specialty reports should be obtained for the valuation of items not readily measured in the marketplace.

(e) In instances where a situation may not fit accepted appraisal guidelines/techniques, an administrative settlement may be used with a written justification and explanation.

d. Nothing shall be construed to deprive the tenant-owner of any right to reject payment under this paragraph to obtain payment for such property interests in accordance with other applicable law concerning the purchase or condemnation of the tenant's interest.

### **3-14. PROTECTIVE LEASE AGREEMENTS**

Where it may be shown to be cost effective the sponsor may enter into agreements with a property owner to preclude leasing of the property in anticipation or during purchase negotiations. The protective lease agreement will preclude new or additional tenants from entering occupancy on the property and possibly becoming eligible for relocation payments. Any protective leasing of needed property must be on a short-term basis (e.g. less than 6 months) in anticipation of closing or filing condemnation for a property. There is no obligation or need to compensate for rental income subsequent to the sponsors purchase of a property. The rental rate on a protective lease should also recognize the property owner's reduced cost in leasing vacant space to the sponsor. A protective lease agreement may be cost effective to preclude [subsequent occupants](#) on residential property as well to maintain commercial property vacant in anticipation of acquisition for a project. The FAA project manager may be contacted to discuss the merits of specific proposals.

### **3-15. ELIGIBLE LITIGATION EXPENSES UNDER 49 CFR 24.107.**

a. There is no obligation under 49 CFR 24 for the Sponsor to reimburse the property owner for legal, appraisal, or other expenses of condemnation necessary to secure possession for a AIP assisted project. However, if any one of the three following conditions exist, the sponsor is required under 49 CFR 24.107 to reimburse the property owner for reasonable costs,

disbursements, and expenses, including reasonable attorney, appraisal, and engineering fees for necessary services that were actually incurred:

- (1) If the acquiring airport starts a condemnation action, but the court decides that the airport owner does not have authority to acquire the property by condemnation.
- (2) If the acquiring airport owner starts a condemnation action and abandons it, other than under an agreed-upon settlement.
- (3) If the property owner successfully maintains, by judgmental award or by settlement, an inverse condemnation suit or similar proceeding.

b. Federal participation in settlement and litigation expenses will be handled on a case-by-case basis depending on the airport owner's compliance with its commitments to accomplish airport development under a project receiving Federal financial assistance and documentation that the airport has followed proper action in the processing of the case. FAA procedures for reimbursement of condemnation and litigation expenses is further referenced in Order 5100.38A, Airport Improvement Program (AIP) Handbook. Also see Section 3 of this chapter for FAA acceptance of condemnation awards of just compensation.

### **3-16. RESERVED**

## **Section 3. ACCEPTANCE OF ADMINISTRATIVE SETTLEMENT**

### **3-17. ADMINISTRATIVE SETTLEMENT**

Administrative settlements are simply that – agreed settlement in excess of the sponsor's offer of just compensation made for acceptable administrative reasons to reflect the public interest. During negotiations, an administrative settlement may be proposed to preclude more costly and unfavorable litigation and/or to settle a disputed acquisition at reasonable cost. Under the Uniform Act reasonable attempts to expedite acquisitions by agreements with owners to avoid litigation and relieve congestion in the courts are encouraged. Significant cost savings may be documented in the use of administrative settlements versus condemnation or terminating stalemated negotiations.

There is no need to inflate or diminish the airport's appraisal as support for an administrative settlement. If the owner presents credible documented appraisal information, then the just compensation offer is updated to complete negotiations (see paragraph 3-9(a)). An administrative settlement however is a judgmental matter to be carefully considered by the sponsor as an option to condemnation or termination of a proposed acquisition where negotiations have reached an impasse on the amount of just compensation. Sound project management require administrative settlements to reflect the public interest and are not merely a matter of convenience. Adequately supported settlements are an eligible property acquisition cost.

### **3-18. ADEQUATE WRITTEN DOCUMENTATION REQUIRED FOR FAA ACCEPTANCE OF AN ADMINISTRATIVE SETTLEMENT.**

The sponsor must prepare and maintain adequate written justification that the settlement is prudent and in the public interest. At a minimum the items listed below shall be cited as applicable to support a settlement amount. The written explanation must be commensurate with the settlement amount involved. Small settlements or within 10% of the appraised value may only require brief discussion noting the amounts involved and evidencing the sponsor's approval. Settlements that involve substantial amounts or large increases require full analysis and

discussion to verify the settlement amount is clearly cost effective and reflects the public interest. Amounts attributed to noncompensable items under Federal law, should be excluded from Federal participation (see Chapter 2 [Non Allowable Land Cost](#)).

- a. The probable range of testimony in litigation including the airport's approved appraisals and the property owner's appraisals.
- b. The type of property involved and damages, if any.
- c. Recent court awards in the vicinity (particularly involving similar property).
- d. A summary of the negotiation effort and the recommendation of the negotiator to conclude the purchase with a settlement.
- e. The estimate of trial cost, including preparations.
- f. The advice and opinion of the sponsor's legal counsel.
- g. The settlement shall ultimately be approved by the appropriate airport official with management responsibility for the acquisition project.

### **3-19. RESERVED**

## **Section 4. CONDEMNATION AWARDS**

### **3-20. CONDEMNATION.**

When negotiations conforming to this Chapter for an amicable purchase agreement are not successful, the sponsor may apply its eminent domain authority and file condemnation for possession of needed property. The sponsor's legal counsel represents the sponsor in condemnation and is responsible for subsequent negotiations, the selection of trial witnesses, and settlement and appeal determinations. Legal counsel must consult with the sponsor and its project management prior to the settlement of the condemnation case for an amount substantially different from the established just compensation or any other legal decision that affects the cost for possession of the needed property.

Prior to requiring an owner to surrender possession of the real property the Sponsor shall deposit with the court, for the benefit of the owner, an amount not less than the Sponsor's approved appraisal of the market value of such property, or the court award of compensation in the condemnation proceeding for the property.

### **3-21. MEDIATION AND CONDEMNATION SETTLEMENTS.**

At any time prior to court trial the Sponsor's legal counsel may secure a settlement in lieu of trial. An administrative settlement may be made if justified as described in Section 2. Where the Sponsor's legal counsel makes settlement, the settlement justification described in Section 2 should be supplemented by the following:

- a. A signed statement by the attorney who handled the case describing reasons that the settlement is in the sponsor's interest with supporting data and analysis as appropriate.
- b. A signed statement by the sponsor management indicating concurrence in the proposed settlement and explanation of any reservations on the proposed settlement.

c. Amounts attributed to noncompensable items under Federal law, should be excluded from Federal participation (see paragraph 2-6 [Non Allowable Land Cost](#)).

### **3-22. CONDEMNATION AWARDS.**

A condemnation award is eligible for reimbursement with Federal funds provided that the amount of the award is reasonable. Amounts attributed to noncompensable items under Federal law, should be excluded from Federal participation (see paragraph 2-6 [Non Allowable Land Cost](#)). The condemnation award must be supported by adequate trial report citing the range of value testimony, major issues, and any comments and recommendations on possible legal error and possible success in requesting a new trial, remittitur, and/or appeal. The sponsor should indicate their concurrence and/or acceptance in the trial report and any legal recommendations.

### **3-23. ACQUISITION OF PUBLIC STREETS, HIGHWAYS, ROADS AND OTHER PUBLIC USE PROPERTY.**

**a. Public streets, highways, and roads.** Only nominal compensation is owed for closed or vacated streets. For example, the streets that had served an acquired neighborhood would be closed and vacated under applicable law to preclude continued public access to the acquired property. When the airport acquired the subdivision lots the property owner was already compensated for the value of the street access to their lot. If there is a necessity for the governmental unit from which the street has been acquired to replace the street, then the cost of replacing the street with a functionally equivalent is just compensation for the taking. Therefore, because streets that do not need replacement require only nominal compensation and compensation for streets that require replacement is generally measured by the cost to replace them, appraisals are seldom, if ever, needed nor should they be prepared.

**b. Other public use property.** Condemnation of property in prior public use may not be authorized under state law. The sponsor may need to rely on other state law or procedures to secure needed property for the airport project.

## Chapter 4. RELOCATION ASSISTANCE

### Section 1. REQUIREMENTS.

#### 4-1. SPONSOR RELOCATION PROGRAM (49 CFR 24, SUBPART C).

It is the sponsor's obligation under the Uniform Act to provide an adequate relocation assistance program that insures the prompt and equitable relocation and reestablishment of persons displaced as a result of it's Federally assisted airport projects. The term "person" as defined in the Uniform Act, and as will be used in this AC, refers to any individual (residential or business occupant), family, partnership, corporation, or association. Sponsors shall provide advisory assistance and conduct the relocation program so that displaced persons receive uniform and consistent services and payments regardless of race, color, sex, or national origin. The sponsor shall maintain adequate documentation to evidence compliance to the Uniform Act and their grant assurances provided to FAA.

#### 4-2. ELIGIBILITY FOR RELOCATION PAYMENTS.

All persons that are displaced from or for an AIP assisted project may be eligible for relocation assistance and payments.

**a. Displaced Persons.** The term "displaced person" as defined in the Uniform Act means any person who moves from the real property or moves personal property from the real property as a direct result of a written notice of intent to acquire, the initiation of negotiations for, or the acquisition of, such real property in whole or in part for a project. Also, a person who moves personal property from non-acquired real property, as a direct result of the as a direct result of a written notice of intent to acquire, or the acquisition of other real property on which the person conducts a business or farm operation, for a project. However, eligibility for such person applies only for purposes of obtaining relocation assistance advisory services and moving expenses.

**b. Persons not displaced.** The following is a non-exclusive listing of persons who do not qualify as displaced persons under the Uniform Act:

(1) A person who moves before the initiation of negotiations, unless the sponsor determines that the person was displaced as a direct result of the program or project; or

(2) A person who initially enters into occupancy of the property after the date of its acquisition for the project; or

(3) A person who has occupied the property for the purpose of obtaining assistance under the Uniform Act; or

(4) A person who is not required to relocate permanently as a direct result of a project. Because occupants in this category are not necessarily considered displaced persons care must be exercised to ensure that they are treated fairly and equitably on the sponsor's AIP assisted programs. Tenants on airport property (fixed base operators, terminal tenants, etc.) being renovated or demolished under an AIP assisted project may or may not be considered displaced persons depending on their existing lease terms for the right of continued occupancy. A increase in rent corresponding to improved facilities is not considered sufficient justification to consider a existing tenant displaced, even though the tenant may decline the opportunity to release property from the airport. or;

(5) An owner-occupant who moves as a result of a "voluntary" acquisition, as discussed at paragraph 1-3. However, a tenant displaced as a direct result of a "voluntary" transaction is a displaced person and is entitled to the relocation assistance and payments that he/she may be eligible for under the Uniform Act, or;

(6) A person whom the sponsor determines is not displaced as a direct result of a partial acquisition; or

(7) A person who, after receiving a notice of relocation eligibility, is notified in writing that displacement from the project will not occur. Such notice shall not be issued unless the person has not moved and the sponsor agrees to reimburse the person for any expenses incurred to satisfy any binding contractual relocation obligations entered into after the effective date of the notice of relocation eligibility; or

(8) A person who retains the right of use and occupancy of the real property for life following its acquisition by the sponsor; or

(9) A person who is determined to be in unlawful occupancy prior to the initiation of negotiations, or a person who has been evicted for cause under applicable law. Eviction for cause must conform to applicable state and local law. Any person not in unlawful occupancy at the initiations of negotiations is presumed to be entitled to relocation assistance and payments unless the sponsor determines that:

(a) The person received an eviction notice prior to the initiation of negotiations and, as a result of that notice is later evicted; or

(b) The person is evicted after the initiation of negotiations for serious and repeated violation of material terms of the lease or occupancy agreement; and

(c) In either case the eviction was not undertaken for purpose of evading the obligation to make available the relocation assistance and payments.

(10) A person who is not lawfully present in the United States and who has been determined to be ineligible for relocation benefits in accordance with paragraph 4-3 below.

#### **4-3. DENIAL OF FEDERALLY FUNDED RELOCATION ASSISTANCE AND PAYMENTS TO ILLEGAL ALIENS.**

No relocation payments or relocation advisory assistance shall be provided to a person who has not provided the certification described in this paragraph or who has been determined to be not lawfully present in the United States, unless such person can demonstrate to the airport sponsor's satisfaction that the denial of relocation benefits will result in an exceptional and extremely unusual hardship to such person's spouse, parent, or child who is a citizen of the United States, or is an alien lawfully admitted for permanent residence in the United States (see e. below for qualifying hardship criteria).

**a. Definition.** An alien who is not "lawfully present" in the United States as defined in 8 CFR 103.12 and includes:

(1) An alien present in the United States who has not been admitted or paroled into the United States pursuant to the Immigration and Nationality Act and whose stay in the United States has not been authorized by the United States Attorney General, and

(2) An alien who is present in the United States after the expiration of the period of stay authorized by the United States Attorney General or who otherwise violates the terms and conditions of admission, parole or authorization to stay in the United States.

**b. Self Certification.**

Each person seeking relocation payments or relocation advisory assistance shall, as a condition of eligibility, CERTIFY:

(1) In the case of an individual, that he or she is either a citizen or national of the United States.

(2) In the case of a family, that each family member is either a citizen or national of the United States, or an alien who is lawfully present in the United States. The head of the household on behalf of other family members may make the certification.

(3) In the case of an unincorporated business, farm, or nonprofit organization, that each owner is either a citizen or national of the United States or an alien who is lawfully present in the United States. The certification may be made by the principal owner, manager, or operating officer on behalf of other persons with an ownership interest.

(4) In the case of incorporated business, farm, or nonprofit organization, that the corporation is authorized to conduct business within the United States.

NOTE: These certifications are provided on [FAA Form 125, "Residential Relocation Claim Form"](#) and on [FAA Form 124, "Non-Residential Relocation Claim"](#). The certification provided pursuant to paragraphs b. (1), b. (2), and b. (3) of this paragraph shall indicate whether such person is either a citizen or national of the United States, or an alien who is lawfully present in the United States.

**c. Certification Acceptance.** The sponsor shall consider the certification provided to be valid, unless the sponsor determines in that it is invalid based on a review of an alien's documentation or other information that the agency considers reliable and appropriate. Any review by the sponsor of the certifications provided shall be conducted in a nondiscriminatory fashion. Each airport sponsor will apply the same standard of review to all such certifications it receives, except that such standard may be revised periodically.

**d. Verification Procedure Required If Certification Is Not Accepted.** If, based on a review of an alien's documentation or other credible evidence, an airport sponsor has reason to believe that a person's certification is invalid (for example a document reviewed does not on its face reasonably appear to be genuine), and that, as a result, such person may be an alien not lawfully present in the United States, it shall obtain the following information before making a final determination.

(1) If the airport sponsor has reason to believe that the certification of a person who has certified that he or she is an alien lawfully present in the United States is invalid, the airport sponsor shall obtain verification of the alien's status from the local Immigration and Naturalization Service (INS) Office. A list of local INS offices was published in the Federal Register in November 17, 1997 at 62 FR 61350. Any request for INS verification shall include the alien's full name, date of birth and alien number, and a copy of the alien's documentation.

(2) If the airport sponsor has reason to believe that the certification of a person who has certified that he or she is a citizen or national is invalid, the displacing agency shall request

evidence of United States citizenship or nationality from such person and, if considered necessary, verify the accuracy of such evidence with the issuer.

**e. Exceptional and Extremely Unusual Hardship.** For purposes this paragraph, “exceptional and extremely unusual hardship” to such spouse, parent, or child of the person not lawfully present in the United States means that the denial of relocation payments and advisory assistance to such person will directly result in:

(1) A significant and demonstrable adverse impact on the health or safety of such spouse, parent, or child;

(2) A significant and demonstrable adverse impact on the continued existence of the family unit of which such spouse, parent, or child is a member; or

(3) Any other impact that the displacing agency determines will have a significant and demonstrable adverse impact on such spouse, parent, or child.

#### **4-4. QUALIFIED VOLUNTARY TRANSACTION, SELLING OWNER NOT DISPLACED.**

Owner-occupants who sell their property under the [voluntary transaction exemption](#), are not displaced persons and are not eligible for relocation payments. The airport owner may offer selling owners relocation advisory services (see Section 3). However, eligible tenant occupants are displaced persons and entitled to relocation assistance and payments.

#### **4-5. EVICTION FOR CAUSE.**

Eviction for cause must conform to applicable state and local law. Any person who occupies the real property and is not in unlawful occupancy on the date of the initiation of negotiations, is presumed to be entitled to relocation payments and other assistance set forth in this part unless the Sponsor determines that:

a. The person received an eviction notice prior to the initiation of negotiations and, as a result of that notice is later evicted; or

b. The person is evicted after the initiation of negotiations for serious or repeated violation of material terms of the lease or occupancy agreement; and

c. In either case the eviction was not undertaken for the purpose of evading the obligation to make available required relocation assistance and payments.

#### **4-6. PROPERTY ADJACENT TO PROJECT ACQUIRED PROPERTY.**

If the sponsor determines that a person occupying property adjacent to the real property acquired for the project is caused substantial economic injury because of such acquisition, it may offer advisory services to such person (see Section 3). However, such persons are not displaced persons or eligible for relocation payments.

#### **4-7. NO WAIVER OF RELOCATION ASSISTANCE.**

The Sponsor **shall not** propose or request that a displaced person waive his or her rights or entitlements to relocation assistance and payments provided by the Uniform Act and 49 CFR Part 24.

**4-8. QUALIFIED RELOCATION PERSONNEL.**

Each airport project where relocation will occur should have assigned qualified individuals who will have the primary responsibility of administrating the relocation assistance program.

**4-9. ADVANCE PAYMENTS.**

If a person demonstrates the need for an advance relocation payment in order to avoid or reduce a hardship, the sponsor shall issue the payment, subject to safeguards as are appropriate to ensure the objective of the payment is accomplished.

**4-10. DEDUCTIONS FROM RELOCATION PAYMENTS.**

The sponsor shall deduct the amount of any advance relocation payment from the relocation payment(s) to which a displaced person is otherwise entitled. The sponsor shall not withhold any part of a relocation payment to a displaced person to satisfy an obligation to any other creditor.

**4-11. CLAIMS FOR RELOCATION PAYMENTS.**

The displaced person shall make claims for relocation payments within 18 months following the later of the date of moving from or the date of the final payment for the acquired property. The sponsor for good cause may extend this time period. Claims for a relocation payments shall be signed, dated, and be supported by such documentation as may be reasonably required to support expenses incurred, such as lowest approved bid or estimate, bills, certified prices, or other evidence of such expenses. The displaced person must be provided reasonable assistance necessary to complete and file any required claim for payment. FAA Forms 5100-124 and -125 may be used as claim forms.

If the sponsor disapproves all or part of a payment claimed or refuses to consider the claim on its merits because of untimely filing or other grounds, it shall promptly notify the claimant in writing of its determination, the basis for its determination, and the procedures for appealing that determination.

**4-12. RESERVED****Section 2. RELOCATION PLANNING AND ADVISORY ASSISTANCE****4-13. PROJECT PLANNING STAGE.**

Early in project development a Sponsor shall identify relocation assistance measures sufficient to recognize the problems associated with the displacement of individuals, families, businesses, farms, and nonprofit organizations and develop solutions to minimize the adverse impacts of displacement. Such planning, where appropriate, shall precede any action by the Sponsor that will cause displacement, and should be scoped to the complexity and nature of the anticipated project displacing activity including an evaluation of program resources available to carry out timely and orderly relocations. Typically relocation planning at this stage is normally conducted as part of the NEPA approval processes as is described in FAA Order 5050.4. However, it is recommended that the sponsor's relocation staff develop a separate relocation plan that will serve as a working document throughout the relocation process. This relocation plan at the project planning stage may be developed by secondary sources based on a relocation survey or study that may include the following:

**a.** An estimate of the number of households to be displaced including information such as owner/tenant status, estimated value and rental rates of properties to be acquired, family

characteristics, and special consideration of the impacts on minorities, the elderly, large families, and persons with disabilities when applicable.

**b.** An estimate of the number of comparable replacement dwellings in the area (including price ranges and rental rates) that are expected to be available to fulfill the needs of those households displaced. When an adequate supply of comparable housing is not expected to be available, the Sponsor should consider housing of last resort actions.

**c.** An estimate of the number, type and size of the businesses, farms, and nonprofit organizations to be displaced and the approximate number of employees that may be affected.

**d.** An estimate of the availability of replacement business sites. When an adequate supply of replacement business sites is not expected to be available, the impacts of displacing the businesses should be considered and addressed. Planning for displaced businesses that are reasonably expected to involve complex or lengthy moving processes or small businesses with limited financial resources and/or few alternative relocation sites should include an analysis of business moving problems.

**e.** Consideration of any special relocation advisory services that may be necessary from the Sponsor and other cooperating Agencies.

#### **4-14. ACQUISITION STAGE RELOCATION PLAN / INTERVIEW OF DISPLACED PERSON.**

Prior to initiation of negotiations on a property, and as is feasible for business displacement prior to defining the appraisal scope of work; an acquisition stage relocation plan is prepared based on personal interview of the identified displaced persons. This interview must be made prior to developing the relocation eligibility offer as described in Paragraph 4-21. The sponsor should conduct this interview in person at the displaced person's residence or place of business. If not already provided, the sponsor must provide the displaced person the General Information Notice (see Paragraph 4-20) at this interview and advise the displaced person may contact the sponsor's relocation agent for any subsequent questions.

The following describes the regulatory requirements for interview and sponsor determination of needed relocation assistance and eligible relocation payment eligibility notices and offers to displaced persons. Sample interview forms are provided in Figure 4-1A for residential displacement and Figure 4-1B for business displacement.

**a. Residential Displacement Interview/Questionnaire.** Determine the relocation needs and preferences of each person to be displaced and explain the relocation payments and other assistance for which the person may be eligible, the related eligibility requirements, and the procedures for obtaining such assistance. This shall include a personal interview with each residential displaced person.

**b. Business Displacement Interview/Questionnaire.** Determine the relocation needs and preferences of each business (farms and non-profit organizations) to be displaced and explain the relocation payments and other assistance for which the business may be eligible, the related eligibility requirements, and the procedures for obtaining such assistance. **This shall include a personal interview with each business.** At a minimum, interviews with displaced business owners and operators shall include the following items, as applicable:

**(1)** The business's replacement site requirements, current lease terms and other contractual obligations and the financial capacity of the business to accomplish the move.

(2) Determination of the need for outside specialists that will be required to assist in planning the move, assistance in the actual move, and in the reinstallation of machinery and/or other personal property.

(3) For businesses, an identification and resolution of realty/personalty issues. To ensure an acceptable and orderly relocation, every effort must be made to provide the appraiser an acceptable realty/personalty determination prior to, or at the time of, the appraisal of the property.

(4) An estimate of the time required for the business to vacate the site.

(5) An estimate of the anticipated difficulty in locating a replacement property.

(6) An identification of any advance relocation payments required for the move, and the Sponsor's legal capacity to provide them.

#### **4-15. REPLACEMENT PROPERTY LISTINGS TO BE MAINTAINED.**

On a project wide basis the sponsor shall maintain current listings of comparable replacement dwellings available, without regard to race, color, religion, or national origin, drawn from various sources and suitable in price, size, and condition for the individuals and families to be displaced for the project. Listing information should be secured from Multiple Listing Services (MLS) of the local Realtor boards, newspaper and other published listings, and private listings. This information shall be maintained current and will be relied on to document the thoroughness of the sponsor's relocation assistance efforts. This housing supply information is relied on to identify and select the "most" comparable property for determining the replacement housing payment eligibility, (see Chapter 6).

To assist displaced businesses, farms, or non-profit organizations, the sponsor shall maintain available listings and contacts with commercial and agricultural real estate brokers, commercial lenders, and government economic development agencies to assist displaced person's to locate suitable replacement sites.

#### **4-16. ELIGIBILITY FOR RELOCATION ADVISORY SERVICES.**

Relocation assistance advisory services, as described in paragraph 4-15 below, shall be offered to all persons occupying property to be acquired, and may be offered to all persons occupying property immediately adjacent to the real property acquired if the sponsor determines that such person or persons are caused substantial economic injury because of the acquisition.



Figure 4-1B: Sample Displaced Occupant Questionnaire - Business/NPO

Project # \_\_\_\_\_; AIP #: \_\_\_\_\_, Parcel #: \_\_\_\_\_,

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Name: \_\_\_\_\_ Owner: \_\_\_\_\_ Tenant: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 How long at this address: \_\_\_\_\_  
 =====

---

Business/NPO Name: \_\_\_\_\_

---

Description of Business: \_\_\_\_\_

---

Estimated Average Annual Net Income: \$ \_\_\_\_\_, Source: \_\_\_\_\_  
 Number of Employees on site: \_\_\_\_\_

---

Acquired Property Data: Major Building: (Appraisal and on site verification)  
 Owned

Structure Type: \_\_\_\_\_ Age: \_\_\_\_\_ Condition: \_\_\_\_\_; Floors: \_\_\_\_\_ Total Sq.Ft: \_\_\_\_\_ Office SqFt: \_\_\_\_\_,  
 Warehouse/Plant SqFt: \_\_\_\_\_; Loading dock: \_\_\_\_\_; Bays \_\_\_\_\_; Floor Spans: \_\_\_\_\_; Flooring: \_\_\_\_\_  
 HV/AC: \_\_\_\_\_, Furnace: \_\_\_\_\_; Cold stg. \_\_\_\_\_; etc.: \_\_\_\_\_

Exterior: Parking Area: \_\_\_\_\_; %Paved: \_\_\_\_\_; Storage: \_\_\_\_\_ Garages/Sheds/StorageBldgs: \_\_\_\_\_

Tanks: \_\_\_\_\_ Ponds: \_\_\_\_\_ Excess land: \_\_\_\_\_

Utilities: Elec: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ Gas: \_\_\_\_\_, \_\_\_\_\_; Oil: \_\_\_\_\_,

Water: \_\_\_\_\_ (gal cap.); Sewer: \_\_\_\_\_ (gal.cap.) On-site tanks: Fuel: \_\_\_\_\_, chemical: \_\_\_\_\_, Waste: \_\_\_\_\_.

Business Site features:

Street/highway Access: \_\_\_\_\_ - Visibility: \_\_\_\_\_ Rail: \_\_\_\_\_; Airport: \_\_\_\_\_

Phone/Communications/Computer Facilities: \_\_\_\_\_  
 \_\_\_\_\_

Zoning: \_\_\_\_\_, Licenses/Permits:(operational, zoning, waste disposal): \_\_\_\_\_  
 Other features: \_\_\_\_\_  
 \_\_\_\_\_  
 =====

Customer/Trade Area Description:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Personal Property:(General Description/Volume): \_\_\_\_\_  
 Machinery; Lists types \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 =====

**Business/NPO Owner/Operator's Interview:**

**Date:**

**Place of Discussion:**

1. What are the business's replacement site requirements, current lease terms and other contractual obligations and the financial capacity of the business to accomplish the move?

2. Is there a need for outside specialists that will be required to assist in planning the move, assistance in the actual move, and in the reinstallation of machinery and/or other personal property?

3. What is the estimated length of time required for the business to vacate the site?

Anticipated Move Start Date:

4. Replacement Property Requirements:

Locations: \_\_\_\_\_  
Zoning: \_\_\_\_\_, Utilities: \_\_\_\_\_  
Buildings: \_\_\_\_\_  
Site : \_\_\_\_\_

Purchase/Rental Range: \$ \_\_\_\_\_ to \$ \_\_\_\_\_

5. Is there a need for any advance relocation payments (deposits, equipment rental, etc)?

**4-17. MINIMUM ADVISORY SERVICES REQUIREMENTS.**

The sponsor's relocation advisory services program shall include, at a minimum, such measures, facilities, and services as may be necessary or appropriate to:

**a.** Determine the relocation needs and preferences of each person to be displaced and explain the relocation payments and other assistance for which the person may be eligible, the related eligibility requirements, and the procedures for obtaining such assistance, (also see paragraph 4-14 for interview requirement).

**b.** Provide current and continuing information on the availability, purchase prices, and rental costs of comparable replacement dwellings, and explain that a person cannot be required to move unless at least one comparable replacement dwelling is made available.

**c.** For residential displacement, as soon as feasible, the sponsor shall inform the person in writing of the specific comparable replacement dwelling and the price or rent used for establishing the upper limit of the replacement housing payment. Where feasible, selected replacement housing shall be inspected prior to being made available to assure that it meets comparability requirements and DSS standards. If such an inspection is not made, the person to be displaced shall be notified that a replacement housing payment may not be made unless the replacement dwelling to be purchased is subsequently inspected and determined to be decent, safe, and sanitary, (see Chapter 6).

**d.** Whenever possible, minority persons shall be given reasonable opportunities to relocate to decent, safe, and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means. This policy, however, does not require the sponsor to provide a person a larger payment than is necessary to enable that person to relocate to a comparable replacement dwelling.

**e.** As necessary, all persons, especially the elderly and handicapped, shall be offered transportation to inspect housing to which they are referred.

**f.** For non-residential displacement, provide current and continuing information on the availability, purchase prices and rental costs of suitable commercial and farm properties and locations. Assist any person displaced from a business or farm operation to obtain and become established in a suitable replacement location.

**g.** Supply persons to be displaced with appropriate information concerning Federal and State housing programs, disaster loans, programs administered by the Small Business Administration, and other Federal and State programs offering assistance to displaced persons. Technical help should be provided to those persons applying for such assistance.

**h.** Minimize hardships to persons in adjusting to relocation by providing counseling, advice as to other sources of assistance that may be available, and such other help as may be appropriate.

**i.** Provide that any person who occupies property acquired by the sponsor, when such occupancy began subsequent to the acquisition of the property, and the occupancy is permitted by a short-term rental agreement or an agreement subject to termination when the property is needed for a program or project, shall be eligible for advisory services, as determined by the sponsor.

**4-18. COORDINATION WITH OTHER AGENCIES OFFERING ASSISTANCE TO DISPLACED PERSONS.**

To conduct a successful relocation program, relocation staff should maintain personal contact and exchange information with other agencies providing services useful to persons being relocated. Such agencies may include urban renewal agencies, redevelopment authorities, public housing authorities, the Department of Housing and Urban Development (HUD), Veterans Administration (VA), and Small Business Administration (SBA). Personal contacts should also be maintained with local sources of information on private replacement properties, including real estate brokers, real estate boards, property managers, apartment owners and operators, and home building contractors.

**4-19. RESERVED****Section 3. RELOCATION NOTICES****4-20. RELOCATION INFORMATION PROVIDED AT A PUBLIC HEARING.**

The sponsor should provide an information brochure that describes the relocation program developed for its AIP assisted projects. The FAA has a brochure entitled "Land Acquisition for Public Airports" that is available for use on sponsor projects.

**4-21. MANNER OF NOTICES.**

Relocation notices shall be personally served or sent by certified or registered first-class mail, return receipt requested and documented in the sponsor's files. The sponsor shall provide notices with appropriate language translation and with adequate interpretative assistance to those displaced persons who may be unable to understand a written English language notice. Each notice shall indicate the name and telephone number of the person who may be contacted for answers to questions or other needed help. Required notices are as follows:

**4-22. GENERAL INFORMATION NOTICE.**

As soon as feasible, persons scheduled to be displaced shall be given a general written description of the sponsor's relocation program. The relocation brochure referenced above may be used for this purpose when personally presented and explanation provided of the application to the displaced person's case. This notice shall inform that any person who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child, as defined in paragraph 4-3 a. (49 CFR 24.208(i)).

**4-23. NOTICE OF RELOCATION ELIGIBILITY.**

At or promptly following the initiation of negotiations the sponsor shall notify all occupants in writing of their eligibility for applicable relocation assistance and payments. This notice shall cite the specific relocation payment eligibility for the displaced person, and shall identify and offer relocation assistance to the displaced person. Figure 4-2 provides a sample notice letter to an owner occupant of a residential property.

**a.** Tenant occupants are entitled to relocation payments as of the initiation of negotiations, and a tenant occupant shall be advised of relocation payment eligibility on or promptly after this date. At delivery of this notice tenant occupants should be advised that they remain liable to their existing lease with the property owner until the sponsor acquires possession of the property.

**b.** For qualified voluntary transactions, (see paragraph 1-3), tenant occupants should further be advised that the property may not be acquired if agreement is not secured with the property

owner, and that the tenant should not initiate a move from the property until the tenant is advised by the sponsor that property is actually to be acquired. To assure equitable treatment of displaced persons the sponsor must commit to the acquisition of the property within the lease term of tenant occupants. Figure 4-3 provides a sample notification letter to a residential tenant occupant. After the initiation of negotiations but prior to any occupant moving from the property, should the sponsor decide not to acquire a property, either amicably or by exercise of eminent domain, the owner and/or tenant occupants shall be advised in writing that the property will not be acquired and that they will not be displaced from the property. Occupants may claim for payment actual, reasonable, and necessary relocation expenses they may have incurred prior to being notified that they will not be displaced, (see paragraph 4-2b(7), "Persons Not Displaced").

#### **4-24. NINETY-DAY NOTICE TO VACATE.**

No lawful occupant shall be required to move unless he or she has received at least 90 days advance written notice of the earliest date by which they may be required to move. The 90 day notice shall either state a specific date as this earliest date, or state that the occupant will receive a further notice indicating, at least 30 days in advance, the specific date to vacate the property. For residential property, if the 90 day notice is issued before a comparable replacement dwelling is made available, (as provided in Chapter 6), the notice shall state the occupant will not have to move earlier than 90 days after such a dwelling is made available. Typically for residential property it is recommended that the 90-day notice be provided with the notice of relocation eligibility, as shown in Figures 4-2 and 4-3.

Figure 4-4 provides an example of a notice to a displaced business occupant, noting eligible cost for a non-residential move (as provided in Chapter 5, Section 3). This sample reflects a somewhat "simple" business move, and on more complex moves several and separate notices may be required to adequately notify the displaced person of their payment eligibility.

**FIGURE 4-2: NOTICE OF ELIGIBILITY (OWNER) AND 90-DAY NOTICE TO VACATE**

Dear Mr. & Mrs. Homeowner:

As you are aware, the Airport Authority is currently acquiring property needed for the proposed expansion of the Orville Municipal Airport and has initiated negotiations to acquire your property. As an owner-occupant for at least 180 consecutive days prior to the initiation of negotiations for the property, you are eligible for the certain relocation assistance payments to assist your relocation to a replacement property. Your eligible payment amounts have been determined in accordance with the Airport Authority's approved relocation assistance program for Federally assisted projects. Please refer to the enclosed brochure entitled, "Land Acquisition for Public Airports", for general information on the airport's relocation assistance process. Your payment eligibility is estimated as follows.

1. Moving expenses. The actual reasonable and necessary expenses for moving personal property, accomplished by a commercial mover and supported by receipted bills, or a fixed payment of \$\_\_\_, based on a schedule of payments for the number of rooms of personal property you are required to move.

2. Replacement Housing Payment. A survey and study of the property available to replace your dwelling finds that you are eligible for a maximum replacement housing payment of \$\_\_\_, provided you purchase and occupy a decent, safe, and sanitary dwelling with a total cost of \$\_\_\_, or more. This replacement housing payment eligibility is based on a property located at (address) which is listed for sale at \$\_\_. You will be reimbursed actual and reasonable expenses incurred on closing the purchase of a comparable replacement dwelling. This amount is estimated to be \$\_\_.

4. Increased Mortgage Interest. You are eligible for the increased interest cost you incur for a conventional mortgage on a replacement property to the extent of the remaining balance and term of the mortgage on the acquired property. This payment is estimated to be \$\_\_\_, which compensates the increased interest cost of a replacement mortgage (maximum\*) interest rate of X% versus the X% rate of your current mortgage, for a loan amount equal to your current mortgage balance of \$\_\_\_, and a remaining term of X months. This payment will reduce the replacement mortgage balance to an amount where the monthly payment at the higher current (potential\*) interest rate will not exceed the monthly amortization payment on the pre displacement mortgage. In addition loan origination fees incurred on a replacement mortgage, not to exceed cost corresponding to the amount of the mortgage balance on the acquired dwelling, are reimbursable.

Ms. Karen Wilson is the Airport Authority's representative assigned as needed to assist your relocation. Ms. Wilson will further explain the relocation process and answer your questions concerning your relocation payments. In order for you to maintain eligibility for subsequent relocation payments, please advise and consult with Ms. Wilson before committing to or taking any action regarding purchasing a replacement property or moving your personal property.

At this time it is necessary to advise you that you will have at least 90 days to remain on your property. At a later date, and after the Airport Authority has acquired the property, you will be provided a 30 day notice citing a specific date for you to vacate the acquired property. Ms. Wilson's phone number is given below, and please do not hesitate to contact her should have any questions or concerns regarding your potential relocation.

Sincerely,

Airport Manager

**Figure 4-3: NOTICE OF ELIGIBILITY (TENANT) AND 90-DAY NOTICE TO VACATE**

Dear Mr. Tenant:

As you may be aware, the Airport Authority is currently acquiring property needed for the proposed expansion of the Orville Municipal Airport and has initiated negotiations to acquire the property you currently are renting. As a tenant-occupant for at least 90 consecutive days prior to the initiation of negotiations for the property, you are eligible for the certain relocation assistance payments to assist your relocation to a replacement property. Your eligible payment amounts have been determined in accordance with the Airport Authority's approved relocation assistance program for Federally assisted projects. Please refer to the enclosed brochure entitled, "Land Acquisition for Public Airports", for general information on the airport's relocation assistance process. Your payment eligibility is estimated as follows.

1. Moving expenses. Actual reasonable and necessary expenses for moving personal property, accomplished by a commercial mover and supported by receipted bills, or a fixed payment of \$\_\_, based on a schedule of payments for the number of rooms of personal property you are required to move.

2. Replacement Housing Payment. A survey and study of the property available to replace your dwelling finds that you are eligible for a maximum replacement housing payment of \$\_\_, provided you lease and occupy a decent, safe, and sanitary dwelling with monthly rent and utilities of \$\_\_, or more. This replacement housing payment eligibility is based on a property located at (address) which is available for rent at \$\_\_, and estimated monthly utility cost of \$\_\_. The amount of the replacement housing payment is the additional cost of a comparable replacement dwelling for a period of 42 months following your displacement from the acquired property.

3. Downpayment Option. You may, at your option, apply your replacement housing payment eligibility as a "required" downpayment for the purchase of a replacement dwelling. If the amount of the required downpayment is greater than the rental replacement housing payment eligibility above, the higher amount will be paid not to exceed \$5,250.00. The "required downpayment" means the downpayment ordinarily required to obtain conventional loan financing on the decent, safe, and sanitary dwelling you actually purchase. The full amount of the downpayment must be applied to the purchase price of the dwelling and related incidental expenses.

Ms. Karen Wilson is the Airport Authority's representative assigned as needed to assist your relocation. Ms. Wilson will further explain the relocation process and answer your questions concerning your relocation payments. In order for you to maintain eligibility for subsequent relocation payments, please advise and consult with Ms. Wilson before committing to or taking any action regarding purchasing a replacement property or moving your personal property.

At this time it is necessary to advise you that you will have at least 90 days to remain on your property. At a later date, and after the Airport Authority has acquired the property, you will be provided a 30 day notice citing a specific date for you to vacate the acquired property. However, please be advised that prior to the Airport Authority acquisition of your leased property you remain obligated to your present lease for payment of rent and other terms and conditions of your lease. Ms. Wilson's phone number is given below, and please do not hesitate to contact her should have any questions or concerns regarding your potential relocation.

Sincerely

Airport Manager

**Figure 4-4: SAMPLE NOTICE OF ELIGIBILITY, NON-RESIDENTIAL MOVE**

Dear Ms. Business Operator:

When the airport acquires your present business site, you will be entitled to certain payments and assistance to move your personal property to a replacement property, and certain costs of reestablishing your business at the replacement site. Your eligible payment amounts have been determined in accordance with the Airport Authority's approved relocation assistance program for Federally assisted projects. Please refer to the enclosed brochure entitled, "Land Acquisition for Public Airports", for general information on the airport's relocation assistance process. Your payment eligibility is estimated as follows, as subject to the cited conditions.

**1. Moving and Storage expenses.** You may claim payment for your actual, reasonable, and necessary eligible expenses for moving your personal property to the replacement site, and for the reconnection and reinstallation of machinery and equipment relocated to the replacement site. Your payment eligibility is estimated as follows, depending on your choice of COMMERCIAL MOVER or SELF MOVE or feasible combination:

COMMERCIAL MOVER and other required services supported by receipted bills, not to exceed \$\_\_\_\_\_, which is the lower of two bids received to perform eligible work.

SELF MOVE, and upon completion of a move you may claim an amount negotiated based on the estimated cost of the work you propose to assume. A separate self move agreement will be executed that lists all or some of the required work, for which you are assuming responsibility. The moving costs estimates are based on the inventory of personal property items to be moved as of (DATE), and ultimate reimbursable costs will be affected by any substantial change in this inventory or changes to other specifications of the work required.

**2. Loss of Tangible Personal Property and Substitute Item.** At your option, you are entitled to be paid the lesser of moving cost, or the value in place of items that you choose not to relocate. Also, for eligible items that you choose not to move but promptly replace at your new location, you may claim the lesser of moving costs or the cost of the substitute items. Items claimed under this option will be deleted from the above eligibility for moving costs. All items claimed under this category must be sold or bona fide attempt made to sell a marketable item, and sale proceeds verified and deducted from your relocation payment claim to the airport.

**3. Reestablishment Expenses.** You may be eligible for up to \$10,000 for cost to reestablish your business at the new location. These costs may include certain costs not eligible for reimbursement as moving cost. Eligible reestablishment expenses are enumerated in the brochure provided.

**4. Search Expenses.** You may be eligible for up to \$2500 to reimburse your eligible expense to search for a replacement site.

**5. High bulk low value items.** The airport agrees to pay you \$\_\_\_\_\_ for the attached listing of items and stockpiled goods. (For items where the cost of a move exceeds their current value.)

To assure your eligibility for moving payments you must advise the airport at least 5 working days prior to commencing your move. The airport is required to monitor your move and verify cost claimed represent actual, necessary, and reasonable costs incurred on your move. Attached is a moving cost claim form for your use in claiming your eligible moving costs reimbursement. The airport requires adequate documentation of all cost incurred which you will want to claim for reimbursement. Your Airport Relocation Officer, who has previously worked with you to secure needed inventory and moving cost bids, may be contacted throughout the moving process to assist your move and assure you have sufficient cost documentation to support your claims for eligible relocation payments.

At this time it is necessary to advise you that you will have at least 90 days to remain on your property. At a later date, and after the Airport Authority has acquired the property, you will be provided a 30 day notice citing a specific date for you to vacate the acquired property. (AS APPLICABLE FOR TENANTS) However, please be advised that prior to the Airport Authority acquisition of your leased property you remain obligated to your present lease for payment of rent and other terms and conditions of your lease. Please do not hesitate to contact Ms. Wilson should you have any questions or concerns regarding your relocation.

AIRPORT MANAGER



## Chapter 5. PAYMENTS FOR MOVING AND RELATED EXPENSES

### Section 1. REQUIREMENTS

#### 5-1. ELIGIBILITY.

Any owner-occupant or tenant who qualifies as a [displaced person](#) and who moves from a dwelling (including a mobile home) or who moves from a business, farm or non-profit organization is entitled to payment of his or her actual moving and related expenses, as the Sponsor determines to be reasonable and necessary.

#### 5-2. INELIGIBLE MOVING AND RELATED EXPENSES.

A displaced person is not entitled to payment for:

a. The cost of moving any structure or other real property improvement in which the displaced person reserved ownership. (However, this requirement does not preclude replacement housing payment eligibility for a displaced homeowner who chooses and if the sponsor determines to be feasible, is allowed to retain and move the acquired dwelling as their replacement dwelling, see paragraph 6-9(g)).

b. Interest on a loan to cover moving expenses;

c. Loss of goodwill;

d. Loss of profits;

e. Loss of trained employees;

f. Any additional operating expenses of a business or farm operation incurred because of operating in a new location except as an eligible reestablishment expense described in paragraph of Section;

g. Personal injury;

h. Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Sponsor;

i. Expenses for searching for a replacement dwelling;

j. Physical changes to the real property at the replacement location of a business or farm operation except as an eligible reestablishment expense described in paragraph of Section;

k. Costs for storage of personal property on real property already owned or leased by the displaced person.

l. Refundable security and utility deposits.

#### 5-3. MOVING CLAIMS AND PAYMENTS.

A displaced person may claim moving expenses within 18 months following the later of the date that they move from real property, or the date of final acquisition payment. (FAA Form Nos.

5100-124 & 125 provide acceptable claim forms, see appendix 1.) Claims shall be supported by documentation of actual costs, such as bids, paid invoices, certified inventories of moved personal property, other evidence of actual and reasonable costs.

The sponsor shall promptly pay claims that are determined to be acceptable. The sponsor shall provide a displaced person technical assistance as needed to claim all eligible actual, reasonable, and necessary moving expenses. The sponsor shall not pay a moving claim until all personal property is removed from the acquired property. Where a hardship may exist, a partial moving payment may be advanced to assist a displaced person to initiate a move. A displaced person may appeal moving claims which are denied by the sponsor in accordance with the sponsor appeal procedures, as described at paragraph 1-19.

#### **5-4. TO 5-19 RESERVED**

### **Section 2. RESIDENTIAL MOVING PAYMENTS**

#### **5-5. ELIGIBLE MOVING EXPENSES FOR DISPLACED RESIDENTIAL OCCUPANTS.**

a. Transportation of the displaced person and personal property. Transportation costs for a distance beyond 50 miles are not eligible, unless the Sponsor determines that relocation beyond 50 miles is justified.

b. Packing, crating, unpacking, and uncrating of the personal property.

c. Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.

d. Storage of the personal property for a period not to exceed 12 months, unless the Sponsor determines that a longer period is necessary.

e. Insurance for the replacement value of the property in connection with the move and necessary storage.

f. The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.

g. Other moving-related expenses that are not listed as ineligible under paragraph 5-2, as the sponsor determines to be reasonable and necessary.

#### **5-6. MOVING EXPENSE PAYMENT OPTIONS.**

A displaced person's actual, reasonable and necessary moving expenses for moving personal property from a dwelling may be determined based on the cost of one, or a combination of the following methods. FAA form 5100-125 Schedule B provides

a. Self move--moves that may be performed by the displaced person in one or a combination of the following methods:

(1) Fixed Residential Moving Cost Schedule. Any person displaced from a dwelling or a seasonal residence or a dormitory style room is entitled to receive a fixed moving cost payment as an alternative to a payment for actual moving and related expenses. This payment shall be determined according to the Fixed Residential Moving Cost Schedule approved by the Federal Highway Administration and published in the Federal Register on a periodic basis. The

payment to a person with minimal personal possessions who is in occupancy of a dormitory style room or a person whose residential move is performed at no cost to the person shall be limited to the amount stated in the most recent edition of the Fixed Residential Moving Cost Schedule. The current moving schedule is available on the FHWA website at <http://www.fhwa.dot.gov/realestate/fixsch96.htm> .

(2) Actual cost household move. Supported by receipted bills for labor and equipment. Hourly labor rates and equipment rental fees should not exceed the cost paid by a commercial mover.

(3) Move-cost Agreement. In some cases where a displaced homeowner has significant non-household personal property located on the acquired residence the fixed schedule or commercial move options may not be feasible. For example, such items as numerous automobiles, large lots of automotive parts, extensive machinery and equipment, or an extensive collection (antiques, memorabilia, etc.) may require special handling that a commercial move cost may exceed the value of items to be moved. For such moves the sponsor and displaced person may enter into a move cost agreement prior to initiating the move to establish the limits on cost eligibility for reimbursement. The agreement amount would reflect the hard moving costs anticipated and require actual cost receipts for reimbursement of the needed truck and equipment rental and packing material purchases. The agreement should cite the date the property will be cleared and provide that failing to complete all or any part of the move precludes payment for the work not performed. The payment for accepted work prescribed in the self-move agreement may be claimed in addition to the commercial or fixed schedule expense of moving household items.

b. Commercial move--moves performed by a professional mover. The sponsor may estimate the eligible cost based on the lower of two acceptable bids or estimates prepared for the move. The payment claim must be supported by an inventory of items of personal property actually moved, and invoices of the actual costs incurred. The moving cost bid and invoice must be of sufficient detail to assure all eligible moving expenses are claimed. Payment for a low cost or uncomplicated move may be based on a single bid or estimate. If the move is complex the sponsor should develop the move specifications and two bids or estimates secured. The displaced person may obtain a move estimate(s) and present them to the sponsor for review as to the reasonableness of the estimated cost. Alternatively for complex or high cost moves, the sponsor may secure the move cost bid to base the offer of relocation eligibility to the displaced homeowner.

## **5-7. MOVING A MOBILE HOME**

a. **Owner-occupant moves their mobile home.** Eligible expenses for moving personal property move from an acquired mobile home or mobile home site include those actual, reasonable and necessary expenses described in paragraph 5-5 of this section (residential moves). In addition, the owner-occupant of a mobile home that is moved as personal property and used as the person's replacement dwelling is also eligible for the following moving expenses.

(1) The reasonable cost of disassembling, moving, and reassembling any appurtenances attached to a mobile home, such as porches, decks, skirting, and awnings, which were not acquired, anchoring of the unit, and utility ``hookup" charges.

(2) The reasonable cost of repairs and/or modifications so that a mobile home can be moved and/or made decent, safe, and sanitary.

(3) The cost of a nonrefundable mobile home park entrance fee, to the extent it does not exceed the fee at a comparable mobile home park, if the person is displaced from a mobile home park or the Sponsor determines that payment of the fee is necessary to effect relocation.

**b. Non-occupant owner of a rented mobile home.** A non-occupant owner of a mobile home that is not acquired as real estate (personal property) is eligible for actual expenses described in paragraph 5-5 above to move the mobile home and to move personal property from an acquired mobile home site.

**c. Personal property mobile home not relocated.** If the mobile home is personal property, but the sponsor determines the homeowner-occupant is displaced and eligible for a replacement housing payment under one of the circumstances described in paragraph [6-51\(c\)](#), the owner is not eligible for payment for moving the mobile home, but may be eligible for a payment for moving personal property from the mobile home, as described in paragraph 5-5 above.

## 5-8. RESERVED

### Section 3. NON-RESIDENTIAL MOVING PAYMENTS

#### 5-9. ELIGIBLE MOVING EXPENSES FOR DISPLACED BUSINESS, FARM, OR NON-PROFIT ORGANIZATION (NPO).

Eligible expenses for non-residential moves include the following:

**a.** Transportation of the displaced person and personal property. Transportation costs for a distance beyond 50 miles are not eligible, unless the Sponsor determines that relocation beyond 50 miles is justified.

**b.** Packing, crating, unpacking, and uncrating of the personal property.

**c.** Disconnecting, dismantling, removing, reassembling, and reinstalling relocated appliances, business machinery, equipment, and other personal property, including as applicable substitute personal property. For businesses, this includes connection to utilities available within the building. It also includes modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to the replacement structure, the replacement site, or the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property.

**d.** Storage of the personal property for a period not to exceed 12 months, unless the Sponsor determines that a longer period is necessary.

**e.** Insurance for the replacement value of the property in connection with the move and necessary storage.

**f.** The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.

**g.** Other moving-related expenses that are not listed as ineligible under paragraph 5-2 as the sponsor determines to be reasonable and necessary.

**h.** Any license, permit, fees or certification required of the displaced person at the replacement location. However, the payment may be based on the remaining useful life of the existing license, permit, fees or certification.

i. Professional services as the Sponsor determines to be actual, reasonable and necessary for:

- (1) Planning the move of the personal property;
- (2) Moving the personal property; and
- (3) Installing the relocated personal property at the replacement location.

j. Relettering signs and replacing stationery on hand at the time of displacement that are made obsolete as a result of the move.

#### **5-10. MOVING EXPENSE PAYMENT OPTIONS.**

Personal property as determined by an inventory from a business, farm or non-profit organization may be moved by one or a combination of the following methods. Eligible expenses for moves from a business, farm or nonprofit organization include those expenses described above in paragraph 5-9.

**a. Commercial Move Option.** The eligible moving expense is based on the lower of two bids or estimates prepared by a commercial mover. At the Sponsor's discretion, payment for a low cost or uncomplicated move may be based on a single bid or estimate. The general procedure to be used when using a commercial mover is as follows:

(1) The sponsor should inspect the displacement and replacement sites and generally determine the extent of personal property to be moved, loading and unloading requirements, and what disconnect/reconnect work will be required. This inspection should be done in company with the displacee or displacee's agent in order to coordinate the move with the business requirements of the displaced operation. If the move is expected to be complicated or complex, the sponsor may want to contract with a specialist knowledgeable of the specific type of personal property being moved. The sponsor should accommodate the business concerns and needs as much as practical to minimize the impact of the relocation on the business operation.

(2) Upon establishing the general eligible move requirements with the displaced person, the sponsor shall make an arrangement with qualified commercial moving companies to provide firm bids or estimates of the cost to move the personal property of the displaced business. Where possible at least two firm bids or estimates should be obtained. Bids are to be based on an inventory of the personal property expected to be moved and on work specifications and equipment required to load/unload, place at the replacement site, and disconnect/reconnect personal property. The sponsor should provide these move requirements to all bidding movers at the inspection of the displacement and replacement sites to assure that the bids received are comparable. The bids submitted shall be prepared in sufficient detail and shall reference the inventory and moving specifications. If there is a significant amount of plumbing, electrical, carpentry, communications, computer, or other services involved in the disconnect and reconnection of personal property, it may be more cost effective to obtain these services through separate bids arranged independent of the commercial mover.

(3) Upon completion of the move, the owner of the displaced business shall certify in the claim submitted for payment that the items listed were actually relocated. The amount claimed and paid by the sponsor must only reflect the "as moved" inventory. Those items that a displaced business, farm or NPO owner/operator elects not to relocate may be claimed under Actual Direct Loss of Personal Property (Paragraph 5-13), Purchase of Substitute Property (Paragraph 5-14), Low Value/High Bulk (Paragraph 5-15) or Related Non-Residential Eligible Expenses (Paragraph 5-17) as may be applicable.

**b. Self move Option.** A self-move payment may be based on one or a combination of the following

**(1) Negotiated Self Move (Estimated Cost).** The displaced person elects to take full responsibility for the move of the business, farm operation, or NPO the sponsor may make a payment for the person's moving expense in an amount not to exceed the lower of two acceptable bids or estimates obtained by the sponsor. The same general procedure to secure the two bids is followed as described above in 5-10(a) for the commercial move option. Moving costs are then claimed and paid as follows:

**(a)** Upon satisfactory completion of the move the displaced person may claim payment for actual reasonable moving expenses not to exceed the lower of two acceptable firm bids or estimates. When circumstances warrant, the sponsor may also negotiate an amount less than the lower of two acceptable bids or estimates. If not included in the bid amount secured, a displaced person may claim other removal and reinstallation expenses as actual costs upon submitting actual cost invoices or other adequate evidence of actual cost. The sponsor may accept the actual costs that are determined reasonable expenses for the move.

**(b)** At the airport owner's discretion, a payment for a low cost or uncomplicated move may be based on a single bid or estimate obtained by the sponsor or prepared by qualified staff. For this type of move, additional documentation such as receipts of moving expenditures is not necessary as long as the payment is limited to the amount of the lowest acceptable bid or estimate.

**(c)** Upon completion of the move, the owner/operator of the displaced business shall certify in the claim submitted for payment that the items listed were actually relocated. The amount claimed and paid by the sponsor must only reflect the "as moved" inventory. Those items that a displaced business, farm or NPO owner/operator elects not to relocate may be claimed under Actual Direct Loss of Personal Property (Paragraph 5-13), Purchase of Substitute Property (Paragraph 5-14), Low Value/High Bulk (Paragraph 5-15) or Related Non-Residential Eligible Expenses (Paragraph 5-17) as may be applicable.

**(2) Self Move, Actual Reasonable Cost.** If reliable bids or estimates cannot be obtained, or if circumstances (such as large fluctuations in inventory) prevent reasonable bidding in the opinion of the sponsor, the displaced business may be paid for actual reasonable moving costs when the costs are supported by receipted bills or other evidence of actual expenses incurred. The allowable expenses of a self move under this provision may include:

**(a)** Amounts paid for truck and/or equipment hired.

**(b)** If vehicles or equipment owned by a business being moved are used, a reasonable amount to cover gas and oil, the cost of insurance, and depreciation allocable to hours and/or days the equipment is used for the move.

**(c)** Wages paid for the labor of persons who physically participate in the move. Labor costs shall be computed on the basis of actual hours worked at the hourly rate paid, but the hourly rate shall not exceed that paid by commercial movers or contractors in the locality for each profession or craft involved.

**(d)** If the displaced business proposes to use a working foreman or group leaders, regularly employed by the business, to supervise services in connection with the move, the amount of their wages covering time spent in actual supervision of the move may be included as a moving expense.

(e) Upon completion of the move, the owner/operator of the displaced business shall certify in the claim submitted for payment that the items listed were actually relocated. The amount claimed and paid by the sponsor must only reflect the "as moved" inventory. Those items that a displaced business, farm or NPO owner/operator elects not to relocate may be claimed under Actual Direct Loss of Personal Property (Paragraph 5-13), Purchase of Substitute Property (Paragraph 5-14), Low Value/High Bulk (Paragraph 5-15) or Related Non-Residential Eligible Expenses (Paragraph 5-16) as may be applicable.

#### **5-11. PERSONAL PROPERTY ONLY MOVES.**

Eligible moving expenses for a person who is required to move personal property from real property but is not required to move from their dwelling (including a mobile home), business, farm or nonprofit organization include the moving expense that are described in paragraph 5-9 above. On a personal property only move, the displaced person is NOT eligible for the other payments described in this section, i.e. Actual Direct Loss of Personal Property (Paragraph 5-13), Purchase of Substitute Property (Paragraph 5-14), Low Value/High Bulk (Paragraph 5-15), Related Non-Residential Eligible Expenses (Paragraph 5-17), Search Expense (Paragraph 5-18), Reestablishment Expense (Paragraph 5-18) or a Fixed Moving Payment (Paragraph 5-19).

#### **5-12. NOTIFICATION AND INSPECTION.**

The sponsor shall inform the displaced person, in writing, of payment eligibility requirements for a non-residential move at or promptly after the initiation of negotiations. This information may be included in the [notice of relocation eligibility](#) as described in Chapter 4. To be eligible for moving expense payments the displaced person must:

- a. Provide the Sponsor reasonable advance notice of the approximate date of the start of the move or disposition of the personal property and an inventory of the items to be moved. However, the Sponsor may waive this notice requirement after documenting its file accordingly.
- b. Permit the Sponsor to make reasonable and timely inspections of the personal property at both the displacement and replacement sites and to monitor the move.

#### **5-13. ACTUAL DIRECT LOSS OF TANGIBLE PERSONAL PROPERTY.**

On a non-residential move, an eligible displaced person may decide not to move an item or items of personal property and claim payment for the actual direct loss of the item. This payment shall consist of the **lesser** of:

- a. The market value in place of the item as is for continued use, less the proceeds from its sale. (To be eligible for payment, the claimant must make a good faith effort to sell the personal property, unless the Sponsor determines that such effort is not necessary. When payment for property loss is claimed for goods held for sale, the market value shall be based on the cost of the goods to the business, not the potential selling prices.); or
- b. The estimated cost of moving the item with reconnection cost estimated based only on the actual "as is" installation at the displacement site, and not including any allowance for storage; or any cost for reconnecting a piece of equipment if the equipment is in storage or not being used at the acquired. If the business or farm operation is discontinued, the estimated cost of moving the item shall be based on a moving distance of 50 miles.
- c. The amount of a payment for direct loss of an advertising sign which is personal property shall be the lesser of the depreciated reproduction cost of the sign, as determined by the

Sponsor, less the proceeds from its sale; or he estimated cost of moving the sign, but with no allowance for storage.

- d. The reasonable cost incurred in attempting to sell an item that is not to be relocated.

#### **5-14. PURCHASE OF SUBSTITUTE PERSONAL PROPERTY.**

If an item of personal property that is used as part of a business or farm operation is not moved but is **promptly replaced** with a substitute item that performs a comparable function at the replacement site, the displaced person is entitled to payment of the lesser of:

- a. The cost of the substitute item, including installation costs of the replacement site, minus any proceeds from the sale or trade-in of the replaced item; or

- b. The estimated cost of moving and reinstalling the replaced item but with no allowance for storage. At the Sponsor's discretion, the estimated cost for a low cost or uncomplicated move may be based on a single bid or estimate.

- c. The reasonable cost incurred in attempting to sell an item that is not to be relocated.

#### **5-15. LOW VALUE/HIGH BULK.**

When the personal property to be moved is of low value and high bulk, and the cost of moving the property would be disproportionate to its value in the judgment of the Sponsor, the allowable moving cost payment shall not exceed the lesser of:

- a. The amount which would be received if the property were sold at the site, or

- b. The replacement cost of a comparable quantity delivered to the new business location.

Examples of personal property covered by this provision include but are not limited to, stockpiled sand, gravel, minerals, metals and other similar items of personal property as determined by the Sponsor.

#### **5-16. TRANSFER OWNERSHIP OF PERSONAL PROPERTY NOT MOVED.**

Upon request and in accordance with applicable law, the displaced person shall transfer to the Sponsor ownership of any personal property that has not been moved, sold, or traded in.

#### **5-17. RELATED NON-RESIDENTIAL ELIGIBLE EXPENSES.**

The following expenses, in addition to those provided above for moving personal property, shall be provided if the Sponsor determines that they are actual, reasonable and necessary:

- a. Connection to available nearby utilities from the right-of-way to improvements at the replacement site.

- b. Professional services performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation including but not limited to soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site).

- c. Impact fees or one-time assessments for anticipated heavy utility usage, as determined necessary by the Sponsor.

**5-18. SEARCHING FOR A REPLACEMENT LOCATION.**

A business or farm operation is entitled to reimbursement for actual expenses, not to exceed \$2,500, as the Sponsor determines to be reasonable, which are incurred in searching for a replacement location, including:

- a. Transportation;
- b. Meals and lodging away from home;
- c. Time spent searching, based on reasonable salary or earnings;
- d. Fees paid to a real estate agent or broker to locate a replacement site, exclusive of any fees or commissions related to the purchase of such sites; and
- e. Time spent in obtaining permits and attending zoning hearings.
- f. Time spent negotiating the purchase of a replacement site based on a reasonable salary or earnings.

**5-19. REESTABLISHMENT EXPENSES — NON-RESIDENTIAL MOVES.**

In addition to the eligible moving expense payments, a displaced [small business](#), farm or nonprofit organization is entitled to receive a payment, not to exceed \$10,000, for expenses actually incurred in relocating and reestablishing such small business, farm or nonprofit organization at a replacement site.

a. Eligible expenses. Reestablishment expenses must be reasonable and necessary, as determined by the Sponsor. They include, but are not limited to, the following:

- (1) Repairs or improvements to the replacement real property as required by Federal, State or local law, code or ordinance.
- (2) Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business.
- (3) Construction and installation costs for exterior signing to advertise the business.
- (4) Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.
- (5) Advertisement of replacement location,
- (6) Estimated increased costs of operation during the first 2 years at the replacement site for such items as:
  - (a) Lease or rental charges,
  - (b) Personal or real property taxes,
  - (c) Insurance premiums, and
  - (d) Utility charges, excluding impact fees.

(7) Other items that the Sponsor considers essential to the reestablishment of the business.

**b. Ineligible expenses.** The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary, or otherwise eligible:

(1) Purchase of capital assets, such as, office furniture, filing cabinets, machinery, or trade fixtures.

(2) Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.

(3) Interest on money borrowed to make the move or purchase the replacement property.

(4) Payment to a part-time business in the home that does not contribute materially (see definition in Appendix 2) to the household income.

#### **5-20. FIXED PAYMENT FOR MOVING EXPENSES — NON-RESIDENTIAL MOVES.**

**a. Business.** A displaced business may be eligible to choose a fixed payment in lieu of the payments for actual moving and related expenses, and actual reasonable reestablishment expenses provided by §§ 49 CFR 24.301, 24.303 and 24.304 (described at paragraphs 5-31, 5-34 and 5-36). Such fixed payment, except for payment to a nonprofit organization, shall equal the average annual net earnings of the business, as computed in accordance with paragraph (e) of this section, but not less than \$1,000 nor more than \$20,000. The displaced business is eligible for the payment if the Sponsor determines that:

(1) The business owns or rents personal property which must be moved in connection with such displacement and for which an expense would be incurred in such move and, the business vacates or relocates from its displacement site;

(2) The business cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings.) A business is assumed to meet this test unless the Sponsor determines that it will not suffer a substantial loss of its existing patronage;

(3) The business is not part of a commercial enterprise having more than three other entities which are not being acquired by the Sponsor, and which are under the same ownership and engaged in the same or similar business activities.

(4) The business is not operated at a displacement dwelling solely for the purpose of renting such dwelling to others;

(5) The business is not operated at the displacement site solely for the purpose of renting the site to others; and

(6) The business contributed materially to the income of the displaced person during the 2 taxable years prior to displacement.

**b. Determining the number of businesses.** In determining whether two or more displaced legal entities constitute a single business which is entitled to only one fixed payment, all pertinent factors shall be considered, including the extent to which:

(1) The same premises and equipment are shared;

(a) Substantially identical or interrelated business functions are carried out and business and financial affairs are commingled;

(b) The entities are held out to the public, and to those customarily dealing with them, as one business; and

(c) The same person or closely related persons own, control, or manage the affairs of the entities.

**c. Farm operation.** A displaced farm operation (defined at § 24.2(a)(13)) may choose a fixed payment, in lieu of the payments for actual moving and related expenses and actual reasonable reestablishment expenses, in an amount equal to its average annual net earnings as computed in accordance with paragraph (e) of this section, but not less than \$1,000 nor more than \$20,000. In the case of a partial acquisition of land which was a farm operation before the acquisition, the fixed payment shall be made only if the Sponsor determines that:

(1) The acquisition of part of the land caused the operator to be displaced from the farm operation on the remaining land; or

(2) The partial acquisition caused a substantial change in the nature of the farm operation.

**d. Nonprofit organization.** A displaced nonprofit organization may choose a fixed payment of \$1,000 to \$20,000, in lieu of the payments for actual moving and related expenses and actual reasonable reestablishment expenses, if the Sponsor determines that it cannot be relocated without a substantial loss of existing patronage (membership or clientele.) A nonprofit organization is assumed to meet this test, unless the Sponsor demonstrates otherwise. Any payment in excess of \$1,000 must be supported with financial statements for the two 12-month periods prior to the acquisition. The amount to be used for the payment is the average of 2 years annual gross revenues less administrative expenses. (See appendix A, § 24.305(d).)

**e. Average annual net earnings of a business or farm operation.** The average annual net earnings of a business or farm operation are one-half of its net earnings before Federal, State, and local income taxes during the 2 taxable years immediately prior to the taxable year in which it was displaced. If the business or farm was not in operation for the full 2 taxable years prior to displacement, net earnings shall be based on the actual period of operation at the displacement site during the 2 taxable years prior to displacement, projected to an annual rate. Average annual net earnings may be based upon a different period of time when the Sponsor determines it to be more equitable. Net earnings include any compensation obtained from the business or farm operation by its owner, the owner's spouse, and dependents. The displaced person shall furnish the Sponsor proof of net earnings through income tax returns, certified financial statements, or other reasonable evidence that the Sponsor determines is satisfactory.



# Chapter 6. REPLACEMENT HOUSING PAYMENTS

## Section 1. REQUIREMENTS

### 6-1. SPONSOR OBLIGATION.

No person to be displaced shall be required to move from his or her dwelling unless at least one comparable replacement dwelling, (defined at paragraph 6-2 below), has been made available to the person. Where possible, three or more comparable replacement dwellings shall be made available. A comparable replacement dwelling will be considered to have been made available to a person, if:

- a. The person is informed of its location; and
- b. The person has sufficient time to negotiate and enter into a purchase agreement or lease for the property; and
- c. Subject to reasonable safeguards, the person is assured of receiving the relocation assistance and acquisition payment to which the person is entitled in sufficient time to complete the purchase or lease of the property.

### 6-2. COMPARABLE REPLACEMENT DWELLING.

The term comparable replacement dwelling means a dwelling that is:

- a. Decent, safe and sanitary as described in paragraph 6-8 of this section;
- b. Functionally equivalent to the displacement dwelling. The term functionally equivalent means that it performs the same function, and provides the same utility. While a comparable replacement dwelling need not possess every feature of the displacement dwelling, the principal features must be present. Generally, functional equivalency is an objective standard, reflecting the range of purposes for which the various physical features of a dwelling may be used. However, in determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, the sponsor may consider reasonable trade-offs for specific features when the replacement unit is equal to or better than the displacement dwelling;
- c. Adequate in size to accommodate the occupants;
- d. In an area not subject to unreasonable adverse environmental conditions;
- e. In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities and commercial and public facilities, and reasonably accessible to the person's place of employment;
- f. On a site that is typical in size for residential development with normal site improvements, including customary landscaping. The site need not include special improvements such as outbuildings, swimming pools, or greenhouses.
- g. Currently available to the displaced person on the private market except as provided in paragraph (i) below.

h. Within the financial means of the displaced person:

(1) A replacement dwelling purchased by a homeowner in occupancy at the displacement dwelling for at least 180 days prior to initiation of negotiations (180-day homeowner) is considered to be within the homeowner's financial means if the homeowner will receive the full price differential, all increased mortgage interest costs and all incidental expenses as described at [Chapter 6, Section 2](#), plus any additional amount required to be paid under Replacement housing of last resort, as described at [Chapter 6, Section 5](#).

(2) A replacement dwelling rented by an eligible displaced person is considered to be within his or her financial means if, after receiving rental assistance described at Chapter 6, Section 3, the person's monthly rent and estimated average monthly utility costs for the replacement dwelling do not exceed the person's base monthly rental for the displacement dwelling as described at paragraph [6-14\(b\)](#).

(3) For a displaced person who is not eligible to receive a replacement housing payment because of the person's failure to meet length-of-occupancy requirements, comparable replacement rental housing is considered to be within the person's financial means if a Sponsor pays that portion of the monthly housing costs of a replacement dwelling which exceeds the person's base monthly rent for the displacement dwelling as described in paragraph [6-14\(b\)](#). Such rental assistance must be paid under replacement housing of last resort.

i. For a person receiving government housing assistance before displacement, a dwelling that may reflect similar government housing assistance. In such cases any requirements of the government housing assistance program relating to the size of the replacement dwelling shall apply.

### **6-3. DECENT, SAFE, AND SANITARY HOUSING INSPECTION.**

The term decent, safe, and sanitary (DSS) means a dwelling that meets applicable housing and occupancy codes. However, any of the following standards that are not met by an applicable code shall apply unless waived for good cause by the FAA.

a. Be structurally sound, weathertight, and in good repair.

b. Contain a safe electrical wiring system adequate for lighting and other devices.

c. Contain a heating system capable of sustaining a healthful temperature (of approximately 22 degrees C or 70 degrees F) for a displaced person, except in those areas where local climatic conditions do not require such a system.

d. Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced persons. There shall be a separate, well-lighted and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator.

e. Contains unobstructed egress to safe, open space at ground level. If the replacement dwelling unit is on the second story or above, with access directly from or through a common corridor, the common corridor must have at least two means of egress.

f. For a displaced person who is handicapped, be free of any barriers that would preclude reasonable ingress, egress, or use of the dwelling. If comparable replacement properties available are not barrier free adequate to the needs of the displaced persons, then the sponsor shall add amounts necessary to provide a barrier free dwelling required.

#### **6-4. OCCUPANCY REQUIREMENTS FOR DISPLACEMENT OR REPLACEMENT DWELLING.**

No person shall be denied eligibility for a replacement housing payment solely because the person is unable to meet the regulatory occupancy requirements (see paragraph 6-6 and 6-13) for a reason beyond his or her control, including:

a. A disaster, an emergency, or an imminent threat to the public health or welfare, as determined by the President, the Federal Agency funding the project, or the displacing Agency; or

b. Another reason, such as a delay in the construction of the replacement dwelling, military duty, or hospital stay, as determined acceptable by the Sponsor.

#### **6-5. RESERVED**

### **Section 2. 180 DAY OWNER OCCUPANTS**

#### **6-6. PAYMENT ELIGIBILITY.**

A displaced owner-occupant is eligible for a replacement housing payment if the displaced person:

a. Has actually owned and occupied the displacement dwelling for not less than 180 days immediately prior to the initiation of negotiations, or the issuance of a written notice of intent to acquire the property; and

b. Purchases and occupies a decent, safe, and sanitary replacement dwelling within one year after the later of the following dates (except that the sponsor may extend the one year period for good cause):

(1) The date the displaced person receives final payment for the displacement dwelling; or

(2) In the case of condemnation, the date the full amount of the **estimate** of just compensation is deposited in court (filing date); or

(3) The date the sponsor has made available to the displaced person at least one comparable replacement dwelling. (See paragraphs [6-1](#) and [4-24](#).)

#### **6-7. REPLACEMENT HOUSING PAYMENT.**

The replacement housing payment for an eligible 180-day owner-occupant may not exceed \$22,500, except when under housing of last resort procedures. The payment is limited to the amount necessary to relocate to a comparable replacement dwelling within one year from the date the displaced owner-occupant is paid for the displacement dwelling, or the date a comparable replacement dwelling is made available to such person, whichever is later. The payment shall be the sum of:

- a. A price differential payment, if the eligible cost of the replacement dwelling exceeds the acquisition cost of the displacement dwelling, as described in paragraph 6-8; and
- b. A mortgage interest differential payment for the increased interest costs and other debt service costs which are incurred in connection with the purchase of the replacement dwelling, as described at paragraph 6-11; and
- c. Payment for the reasonable expenses incidental to the purchase of the replacement dwelling, as described at paragraph 6-12.

#### **6-8. PRICE DIFFERENTIAL PAYMENT.**

The price differential payment is the amount, if any, which must be added to the acquisition cost of the displacement dwelling to provide a total amount equal to the reasonable cost of a comparable replacement dwelling, or the purchase price of a decent, safe, and sanitary dwelling actually purchased and occupied by the displaced person, whichever is less.

**a. Comparable replacement dwellings.** Comparable replacement properties shall be selected from current listings of properties available for sale. If available, at least three comparable replacement dwellings shall be examined and the payment computed on the basis of the dwelling most nearly representative of, and equal to, or better than, the displacement dwelling. Listed properties sold under a pending sales contract may not be used in determining the price differential. All sources of listing information available should be pursued including Multiple Listing Services (MLS), local broker exclusive listings, and owner listings. An obviously overpriced listed dwelling should be ignored. To the extent feasible, comparable replacement dwellings shall be selected from the neighborhood in which the displacement dwelling was located or, if that is not possible at reasonable cost, in nearby comparable neighborhoods. However, particularly on buy-out acquisitions for Part 150 noise compatibility programs, dwellings chosen as comparable referrals should not be located within the airport's 65 dB DNL noise contour.

**b. Selected comparable replacement dwelling.** Of the comparable listings searched, the property judged the most comparable, referencing the definition of comparable housing provided in paragraph 6-2, shall be used as the "Selected" comparable to calculate the replacement housing payment eligibility for the displaced person. The sponsor shall fully and systematically search the available replacement properties and select that comparable which represents the "Most" comparable dwelling. Figure 6-2 provides a format for comparing the features of available replacement property to the comparability requirements of the acquired dwelling to determine the "Selected" comparable.

**c. Documentation and Certification.** Figure 6-3 provides a sample form entitled "Replacement Housing Payment Eligibility, 180 Day Owner Occupant" (see Appendix 1). Sponsor use of this form is suggested to document the adequacy of the replacement housing payment eligibility determination. To the extent provided in this AC, and as conforming to Uniform Act mandates, the sponsor shall consider reasonable costs and program economy in the determination of replacement housing payment eligibility.

**Figure 6-2. Comparable Dwelling Evaluation Grid**

Comparison Item	Subject Property	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Habitable Living Area (sq.ft.)					
# Rooms					
# Bedrooms					
# Baths					
Location: Neighborhood, Access to Employment					
Lot Size					
Style/Construction					
Age					
Quality					
Condition					
Sewer/Water					
Heat/Fuel					
AC					
Flooring					
Fireplace					
Basement					
Storage					
Deck/Patio					
Garage/Car Port					
Appliances					
Other					
List Price					

**Selected Comparable Determination:** Applying selection criteria contained in the definition of "comparable replacement" dwelling (49 CFR 24.2(c)), Comparable #\_ is selected as the most comparable to the acquired property, including the decent, safe, and sanitary requirements for the displaced persons.

**Figure 6-3. Replacement Housing Payment Eligibility Determination**

-----180 Day Owner Occupant -----

Summary and Justification of Selection of "Most" Comparable Property  
49 CFR 24.401

Project:           AIP #:           Parcel :  
Displaced Person:           , # in Household:           Displacement Dwelling DSS? Y N

I. Market Data Source:(mark all applicable) MLS Project Data Newspaper/Published  
 Realtors Private Listings Other:           Listings Current To:

II. Justification for Selection of Comparable (#)           as the "Most " comparable replacement property available:(Note: The following is file documentation to support the sponsor's selection of the most comparable dwelling of the other comparable properties evaluated. )

Comparable Criteria: (49 CFR 24.2(d))	Comparison of the Selected Comparable to the Acquired Dwelling/Displacee Needs Equal(=), Superior(+),Inferior(-)	Explanation: If inferior, relate to compensating trade-off. If significantly superior provide justification, i.e. DSS need, compensates inferior feature at reasonable cost, no lesser cost alternative acceptable.
1. Location: (Neighborhood, access to employment, community services, etc.)	<input type="checkbox"/> =, <input type="checkbox"/> +  (*must be equal or better)_	
2. Number of Rooms: (total/bedrooms/baths)	<input type="checkbox"/> =, <input type="checkbox"/> +, <input type="checkbox"/> -	
3. Size of Habitable living Area: (sq. ft. measured interior, excluding halls, bathrooms, and closets)	<input type="checkbox"/> =, <input type="checkbox"/> +, <input type="checkbox"/> -	
4. Condition:	<input type="checkbox"/> =, <input type="checkbox"/> +, (*must be equal or better)	
5. Age:	<input type="checkbox"/> =, <input type="checkbox"/> +, <input type="checkbox"/> -	
6. Style/Floor Plan:	<input type="checkbox"/> =, <input type="checkbox"/> +, <input type="checkbox"/> -	
7. Quality of Construction: ( market perception)	<input type="checkbox"/> =, <input type="checkbox"/> +, <input type="checkbox"/> -	
8. Other Amenities: (standard features such as fireplace, upgrade carpets or cabinetry, workshop, extra storage space used; and typically available on the market. Trade-off consideration is common where feature is not available at reasonable cost on available properties.)	<input type="checkbox"/> =, <input type="checkbox"/> +, <input type="checkbox"/> -	
9. Other features:	<input type="checkbox"/> =, <input type="checkbox"/> +, <input type="checkbox"/> -	
10. Major Exterior Attributes: ( Site attributes such as swimming pool, excess land, major outbuildings, etc.)	<input type="checkbox"/> =, <input type="checkbox"/> +, <input type="checkbox"/> -  *N/A <input type="checkbox"/>	*Attribute considered only if available at reasonable cost on comparable properties. Otherwise comparable without the attribute is used and a "Carve-out" procedure is used to calculate payment eligibility. (49 CFR 24.403(a)(2))

II. Required Adjustments:

Access for Disabled Displaced Persons: Cost Estimate:\$ \_\_\_\_\_, (contractor bids attached)

N/A

Items required:

III. Summary of Housing Availability: (Note: All available properties considered must be indicated below. File documentation must evidence that adequate consideration was given lesser cost properties in order to evidence program economy had been secured in the search process. Listing inventories are to be retained in project records identifying the properties considered in selecting the most comparable property for payment calculation.)

Total available listed properties identified as comparable:

Price Range of Identified Properties: From \$ \_\_\_\_\_ (address/listing#:\_ \_\_\_\_\_),  
To \$ \_\_\_\_\_ (address/listing#:\_ \_\_\_\_\_).

Selected comparable listed/adjusted price at \$ \_\_\_\_\_, represents (#) \_\_\_\_\_ replacement housing opportunities currently available to the displaced person at reasonable cost. (Note: If less than 3 currently available the availability of the comparable properties must be verified prior to requiring vacation of the acquired dwelling. If the selected property is unavailable at displacement recalculation of the payment eligibility will be required.)

V. Replacement Housing Payment Eligibility Calculation:

Selected Comparable Property List Price

less Acquisition Cost of Displacement Dwelling :  
(as necessary, deduct (Carve-out) the acquisition  
cost of Major Exterior Attributes) -

Replacement Housing Payment Eligibility:

Plus estimated cost to make property accessible for disabled displaced persons per II above,  
. (Note: Displacee must be advised that actual payment for necessary modifications will be the lesser of the estimated cost or the actual reasonable cost of installation. A replacement housing payment may only be made following DSS certification and verification that required modifications are in place. The installation of modifications necessary should be included in the sales contract to facilitate timely payment.)

VI. Certification: Relying on the above referenced market information and analysis of the comparable replacement housing requirements for the displacement property and the displaced persons, comparable (#) \_\_\_\_\_ is selected as the most comparable property available at reasonable cost. This property is to be offered as the available replacement housing for the subject displaced persons with an anticipated displacement from the acquired property to occur by \_\_\_\_\_. As of the date of this determination this property is available and is considered to be decent, safe, and sanitary for purposes of providing replacement housing to the subject displacee. The offer of the selected property requires a replacement housing payment eligibility as calculated above in the amount of \_\_\_\_\_. The undersigned has made (approved of) the required determinations and calculation of the replacement housing payment eligibility in accordance with applicable regulations and approved procedures conforming to the requirements of the Uniform Act (49 CFR 24 Subpart C &D) and FAA directives..

Signed: \_\_\_\_\_, Title: \_\_\_\_\_ Date: \_\_/\_\_/\_\_

Prepared by: \_\_\_\_\_, Title: \_\_\_\_\_ Date: \_\_/\_\_/\_\_

## **6-9. SPECIAL SITUATIONS AFFECTING COMPUTATION OF PRICE DIFFERENTIAL PAYMENT ELIGIBILITY.**

Various situations typically arise that will affect the calculated and actual amount of the price differential that a displaced person is eligible to receive. These situations generally result in a carve-out procedure or an adjustment of some type, as described for the following occurrences.

**a. Administrative Settlement.** An administrative settlement is any settlement made by the sponsor for acquisition of real property that exceeds an approved amount offered as just compensation (see paragraph 3-17). By normal calculation of the price differential, the replacement housing payment eligibility is reduced by the amount of the increase in the acquisition cost incurred by the administrative settlement.

**b. Condemnation Award.** An advance replacement housing payment may be computed and paid to a property owner when the final settlement amount will be delayed pending the outcome of condemnation proceedings. Payment of such amount may only be made upon the owner-occupant's agreement that upon final determination of the condemnation proceedings, the replacement housing payment will be recomputed using the acquisition price determined by the court and the displaced person will refund to the sponsor the amount of any excess payment.

**c. Carveouts.** Carveouts must be made when the acquired property has certain attributes, as discussed below, which are not available at reasonable cost on otherwise comparable available dwellings, or the acquired dwelling is part of a mixed use property.

**(1) Site Attributes and Improvements.** If the selected comparable replacement property does not contain a site improvement found on the displacement property, the contributory value of the improvement, such as a garage, out-building, swimming pool, etc., shall be deducted (carved-out) from the cost of the acquired dwelling in calculating the replacement housing price differential eligibility. A carve out is not necessary unless the particular site improvement represents a significant value as indicated in the appraisal of the acquired property. The appraisal of the acquired property should not arbitrarily assign a contributory value for site improvements that are highly depreciated and/or which the market considers only of nominal value.

Where a site attribute consists of a land or location feature, such as waterfront location or golf course frontage, which is unavailable with a comparable available dwelling at reasonable cost, the contributing market value of the attribute may also be carved-out from the acquisition cost of the property in determining the replacement housing payment eligibility. A carve-out is only necessary to the extent of the contributory value that may be derived for the attribute from the approved appraisal of the acquired property.

**(2) Tracts Larger Than Typical Residential Size.** When the acquired tract is significantly larger than the typical residential tract available as comparable replacement properties, the sponsor shall carve out the value of the dwelling and typical homesite for the area from the total acquisition price and use this value as the acquisition cost to calculate the price differential eligibility. However, should comparable property be available at reasonable cost with the larger lot feature a carve out is not necessary. Also, exact one to one correspondence between lot sizes is not necessary as it is likely that the market regards and values a range of lot sizes permitted for single homesite as relatively equal, e.g., 3-5 acs, 7-15 acs, over 20 acs.

**(3) Dwelling on Land With Higher and Better Use.** When the acquired dwelling is located on a property where the appraised and/or final settlement value is established on a higher and better land use than residential, the price differential eligibility is the price of a comparable replacement dwelling minus the **GREATER** of the following, **NOT TO EXCEED** the actual cost of the property acquired.

(a) The HBU development value of the land for an area of a typical residential lot plus the contributory value of the dwelling; or

(b) The value of a typical residential lot and the dwelling for continued residential use.

**(4) Residential/Business or Farm Operation Properties.** When a displacement dwelling is part of an acquired "mixed-use" property containing a business or part of a significant farm operation, the value of the residence and typical home site may be carved out from the acquisition payment in calculating the price differential eligibility for purchase of a replacement dwelling. A carve-out is not necessary for small "in-home" businesses where substantial alterations have not been made to accommodate the business, i.e., bookkeeping service, small beauty salon, small engine repair shop, etc.

**d. Partial Acquisition.** When the acquisition of a portion of a typical residential property causes the displacement of the owner from the dwelling and the remainder is a buildable residential lot, the sponsor may offer to purchase the entire property. If the owner refuses to sell the remainder to the sponsor, the market value of the remainder may be added to the acquisition cost of the displacement dwelling for purposes of computing the replacement housing payment. A sponsor shall only apply this option on a project wide basis.

**e. Owner-Occupant of Multi-Family Dwelling.** When a comparable multi-family property is not available at reasonable cost, then the portion of the acquisition cost that constitutes the owner's occupied unit is used to calculate the price differential eligibility. In cases where the displaced household is occupying more than one unit of a multi-family unit, single family replacement housing may be offered as the available replacement dwelling, however it is not necessary to replace or carve-out duplicated residential property components that may occur on the acquired occupied property, such as additional kitchens, heating systems, etc.

**f. Occupant With A Partial Ownership.** When a single family dwelling is owned by two or more persons and occupied by one or more of the owners, the replacement housing payment will be the lesser of:

(a) The difference between the owner-occupant's share of the acquisition cost of the displacement dwelling and the actual cost of the replacement dwelling, or

(b) The difference between the total acquisition cost of the displacement dwelling and the amount determined by the sponsor as necessary to purchase a comparable dwelling.

**g. Owner Retention.** If the owner retains ownership of his or her dwelling, moves it from the displacement site, and reoccupies it on a replacement site, the purchase price of the replacement dwelling shall be the sum of:

(1) The cost of moving and restoring the dwelling to a condition comparable to that prior to the move;

(2) The cost of making the unit a decent, safe, and sanitary replacement dwelling; and

(3) The current market value for residential use of the replacement dwelling site, unless the claimant rented the displacement site and there is a reasonable opportunity for the claimant to rent a suitable replacement site; and

(4) The retention value of the dwelling, if such retention value is reflected in the "acquisition cost" used when computing the replacement housing payment.

(5) The payment when computed based on the cost of relocating the retained dwelling, may not exceed the displaced person's calculated eligibility for the purchase of the selected comparable dwelling. Also, the dwelling must be relocated to a site not within the airport noise contour

**h. Upgrading of Replacement Dwelling.** As is feasible the airport may work with the displaced homeowner's purchase of a replacement dwelling they intend to rehabilitate or improve. However, given an availability of comparable replacement dwellings at the time of displacement, there is no provision for any additional payments for cost incurred by a displaced homeowner undertaking home improvement if occupancy of a DSS dwelling is delayed. To conform to the payment eligibility requirements, the displaced homeowner must include any rehabilitation or home improvement work as part of the sales agreement, and/or in the mortgage financing for the purchase and improvement of the replacement dwelling. The rehabilitation or home improvement work and financing should be adequately structured with among other requirements; adequate building plans and specifications for the work prepared conforming to local building codes and lender requirements, enforceable contractor guarantees, fire and hazard insurance requirements, and bonding to assure satisfactory work and scheduled completion. The sponsor's obligation for replacement housing payment is met when the displaced person purchases and occupies the DSS replacement property. Costs for excessive ornamentation, or unusual and atypical features are not eligible for reimbursement on a replacement housing payment claim.

**i. Previously Owned Dwelling.** When a displaced person relocates to a previously owned DSS dwelling the price differential eligibility is the lesser of the reasonable cost of a comparable replacement dwelling or the current fair market value of the previously owned dwelling minus the acquisition cost of the acquired property.

#### **6-10. RENTAL ASSISTANCE PAYMENT FOR 180-DAY HOMEOWNER.**

A 180-day homeowner-occupant, who could be eligible for a replacement housing payment under paragraph 6-6 but elects to rent a replacement dwelling, is eligible for a rental assistance payment. The amount of the rental assistance payment is based on a determination of market rent for the acquired dwelling compared to a comparable rental dwelling available on the market. The difference, if any, is then computed and disbursed in accordance with Section 3, Replacement Housing Payment for 90-day Occupants, at paragraphs 6-14 (a) and (c) except that the limit of \$5,250 does not apply. Under no circumstance would the rental assistance payment exceed the amount that could have been received under this Section as an eligible displaced 180-day homeowner had the 180-day homeowner elected to purchase and occupy a comparable replacement dwelling.

#### **6-11. INCREASED MORTGAGE INTEREST PAYMENT (IMIP).**

An IMIP is provided to a displaced person to compensate for the increased interest costs the person would otherwise incur when financing a replacement dwelling. The IMIP is an amount that will reduce or "buydown" the displaced person's mortgage balance on a new mortgage to an amount that could be amortized with the same monthly payment for principal and interest cost. To compute the IMIP, the remaining principal balance, interest rate, and monthly principal and

interest payments for the pre-displacement mortgage as well as an available replacement mortgage must be obtained and documented. The interest rate on the acquired dwelling shall be based on a bona fide recorded mortgage or other recorded documentation. In addition, the IMIP payment shall include other debt service costs normal to the area of the replacement dwelling, if not paid as incidental cost, and shall be based only on bona fide mortgages that were valid liens on the displacement dwelling for at least 180 days prior to the initiation of negotiations.

**a. IMIP Eligibility Calculation.** The IMIP is the amount required to compensate for any additional interest cost necessary to purchase a replacement dwelling, not to exceed the cost of a conventional mortgage available at the prevailing fixed interest rate currently charged by mortgage lending institutions in the area in which the replacement dwelling is located. For acquired properties subject to a fixed rate mortgage, the pre-displacement interest rate is compared to the prevailing fixed interest rate. For acquired properties subject to an adjustable rate mortgage (ARM), the computation of the IMIP eligibility is based on the lesser of the interest rate variance between the pre-displacement rate as of the date of acquisition versus the current fixed rate, or the variance between the maximum interest rate or "Cap rates" of the pre-displacement and replacement ARM's with equivalent rate index and adjustment specifications. Under conditions of falling interest rates it would be expected that the rate differential before and after displacement is zero or less and a IMIP eligibility would not exist. Under conditions of rising interest rates it is likely a MID eligibility is necessary given the increased interest cost of an available replacement mortgage. Figure 6-3 provides a sample IMIP eligibility calculation for a fixed rate mortgage using [FAA Form 5100-123](#), and Figure 6-4 provides a sample calculation for an ARM, using [FAA Form 5100-123-ARM](#).

**b. IMIP Payment Calculation.** Actual payment of the eligible IMIP to a displaced person is contingent upon a mortgage being placed on the replacement dwelling. The IMIP eligibility is based on the unpaid mortgage balance(s) and remaining term of the mortgage(s) on the displacement dwelling, or the term of the new mortgage, whichever is shorter. In the event the person obtains a smaller mortgage than the reduced mortgage balance(s), the computed payment eligibility is prorated and reduced accordingly. In the case of a home equity loan, the unpaid balance used to calculate the payment is the balance which existed 180 days prior to the initiation of negotiations, or the balance on the date of acquisition, whichever is less.

**c. Reimbursable Loan Points..** In addition to the computed buydown amount, the IMIP payment includes purchaser's points and loan origination or assumption fees to the extent:

- (1) The point (s) are not being paid as incidental expenses;
- (2) They do not exceed rates normal to similar real estate transactions in the area;
- (3) The sponsor determines them to be necessary; and
- (4) The computation of such points and fees is based on the loan balance of displacement dwelling, less the buydown amount.

**d. Lump Sum Payment of Additional Points, if cost effective.** Replacement mortgage offerings typically include different interest rates and points. Of the available mortgages, the available mortgage with the lowest Annual Percentage Rate (APR) will typically prove to be the most cost effective. The airport should base its IMIP eligibility on the most cost effective loan available. If a replacement mortgage equal to the pre-displacement mortgage (interest rate and terms) is available with additional points, the airport may compute the MID eligibility based on the higher prevailing rate at lesser points, or at the equal rate with additional points. The outstanding mortgage balance and remaining amortization term on the acquired home will

determine if the payment of additional points for a lower rate is the most cost effective. The less costly payment eligibility would be the MID payment eligibility offered. The FAA form 5100-123 Fixed/ARM may be used to compute the IMIP eligibility based on the regulatory requirements (49 CFR 24.401 (d)) to compare and document if the lump sum payment for additional points is cost effective.

**e. Additional Pre Displacement Mortgage Liens.** When a displaced person has second or lesser priority mortgage liens an overall IMIP eligibility is computed based on the available conventional mortgage financing of the total outstanding loan balance on the acquired property. Normally it would be expected that a single first lien mortgage would be secured to purchase a replacement property and a IMIP would be made to the extent which this mortgage interest exceeded the interest rates on the mortgage loan balances of the acquired property, not to exceed the prevailing fixed interest rate cost. Where second mortgage financing is required for a displaced person to secure a replacement dwelling the IMIP calculation and actual payment shall be based on a comparison of the second mortgage rates.



**Figure 6-4 Adjustable Rate Increased Mortgage Interest Payment Eligibility**

Increased Mortgage Interest Payment (IMIP) Eligibility Computation for Acquired Dwelling Subject to an Adjustable Rate Mortgage (ARM)	
U.S. Department of Transportation Federal Aviation Administration	
I. Interest Rate Differential	
<b>A. Existing ARM:</b>	
1. Adjusted interest rate as of the date of acquisition.	<u>5%</u>
<b>2. Cap Rate, initial rate plus overall adjustment Cap:</b>	
Existing Rate Specifications: Initial Rate: <u>5%</u> ; Rate Index: <u>1 year T-Security; Margin: 2.75%</u> ; Periodic Adjustment Cap: <u>2%</u> ; Overall Adjustment Cap: <u>6%</u>	
<b>B. Replacement Fixed-term Interest Rate:</b>	
	<u>8.25%</u>
<b>C: Available Replacement ARM Cap Rate, (initial rate plus overall adjustment Cap):</b>	
Rate Specifications: Initial Rate: <u>5.75%</u> To be comparable to the existing mortgage this ARM must have equivalent rate index, margin, and adjustment specifications, as noted in A2. above.	
<b>D. Rate Differential:</b>	
1. Fixed-term rate <u>8.25%</u> less existing mortgage rate as of acquisition <u>5%</u> =	<u>3.25%</u>
<small>(line B)</small>	<small>(line A1.)</small>
2. Replacement ARM Cap rate <u>11.75%</u> less existing mortgage Cap rate <u>11%</u> =	<u>.75%</u>
<small>(line C)</small>	<small>(line A2.)</small>
<b>IF D1 &lt;= D2, Enter A1 in line 3 of Section II.A. (*)below and Enter B in line 7 of Section II.A.(**) below, or;</b> <b>IF D1 &gt; D2, Enter A2 in line 3 of Section II.A. (*)below and Enter C in line 7 of Section II.A. (**)below.</b>	
<b>II. Payment Eligibility Computation</b>	
<b>A. Required Information/Calculations:</b>	
1. Remaining principal balance on old mortgage.	<u>\$100,000</u>
2. Remaining amortization term of old mortgage as of date of acquisition.	<u>354 Months</u>
3. Applicable interest rate of old ARM for payment computation.(**From Section I.D. above)	<u>11%</u>
4. Monthly Payment: Mortgage Balance <u>\$100,000</u> @ <u>11%</u> for <u>354</u> months =	<u>\$954</u>
<small>(line 1) (line 3) (lesser of line 2 or 6)</small>	
5. Replacement mortgage amount.	<u>\$100,000</u>
6. Amortization term of replacement mortgage.	<u>360 Months</u>
7. Applicable interest rate of replacement mortgage. (**From Section I.D. above.)	<u>11.75%</u>
8. Purchaser's points and loan origination or assumption fees.	<u>1%</u>
<b>B. Amount of reduced loan having a monthly amortization payment of:</b>	
<u>\$954</u> for <u>354</u> months at an annual rate of <u>11.75%</u> .	
<small>(line A4) (lesser line A2 or A6) (line A7)</small>	
<b>C. Amount of mortgage reduction: <u>\$100,000</u> less <u>\$94,376</u></b>	
<small>(line A1) (line B)</small>	<u>\$5,624</u>
<b>D. Points and fees. <u>1%</u> X <u>\$94,376</u>=</b>	
<small>(line A8) (line B)</small>	<u>\$944</u>
<b>E. PAYMENT ELIGIBILITY: Total of Lines C and D.</b>	
	<u>\$6,568</u>
<b>F. If the actual new mortgage is less than Line B:</b>	
\$ _____ divided by \$ _____ = _____ % X \$ _____	
<small>New Mortgage Amount</small>	<u>\$ _____</u>
<small>Line B</small>	<small>Line E</small>

**6-12. INCIDENTAL EXPENSES.**

The incidental expenses to be paid are those necessary and reasonable costs actually incurred by the displaced person incident to the purchase of a replacement dwelling. Such costs, customarily paid by the buyer, may include the following items:

- a. Legal, closing, and related costs, including those for title search, preparing conveyance instruments, notary fees, preparing surveys and plats, and recording fees. (For plats, the only necessary information is the legal description of the property, perimeter boundaries, and metes and bounds descriptions.) Costs are not to exceed those of a normal comparable replacement dwelling.
- b. Lender, FHA, or VA application and appraisal fees.
- c. Loan origination or assumption fees that do not represent prepaid interest up to the amount of the mortgage on the displacement dwelling.
- d. Certification of structural soundness and termite inspection when required.
- e. Credit report.
- f. Owner's and mortgagee's evidence of title, e.g., title insurance, not to exceed the costs for a comparable replacement dwelling.
- g. Escrow agent's fee.
- h. State revenue or documentary stamps, sales or transfer taxes (not to exceed the costs for a comparable replacement dwelling).
- i. Such other costs as the sponsor determines to be incidental to the purchase.

**Section 3. 90-DAY OCCUPANT, OWNER OR TENANT****6-13. PAYMENT ELIGIBILITY.**

A tenant or owner-occupant displaced from a dwelling is entitled to a payment not to exceed \$5,250 for rental assistance or downpayment assistance, if such displaced person:

- a. Has actually and lawfully occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations; and
- b. Has rented, or purchased, and occupied a decent, safe, and sanitary replacement dwelling within one year (unless the sponsor extends this period for good cause) after:
  - (1) For a tenant, the date the displaced person moves from the displacement dwelling, or
  - (2) For an owner-occupant, the later of:
    - (a) The date the displaced person receives final payment for the displacement dwelling, or in the case of condemnation, date the full amount of the estimate of just compensation is deposited with the court; or
    - (b) The date the displaced person moves from the displacement dwelling.

**6-14. RENTAL ASSISTANCE PAYMENT.**

**a. Amount of Payment.** An eligible displaced person who rents a replacement dwelling is entitled to a payment not to exceed \$5,250 for rental assistance. Such payment shall be 42 times the amount obtained by subtracting the base monthly rental for the displacement dwelling from the lesser of:

- (1) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
- (2) The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displaced person.

**b. Base Monthly Rental For Displacement Dwelling.** The base monthly rental for the displacement dwelling is the lesser of:

- (1) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Agency (for an owner-occupant, use the fair market rent for the displacement dwelling. For a tenant who paid little or no rent for the displacement dwelling, use the fair market rent, unless its use would result in a hardship because of the person's income or other circumstances);
- (2) Thirty (30) percent of the displaced person's average monthly gross household income if the amount is classified as "low income" by the U.S. Department of Housing and Urban Development's Annual Survey of Income Limits for the Public Housing and Section 8 Programs.<sup>3</sup> The base monthly rental shall be established solely on the criteria in (b)(1) above for persons with income exceeding the survey's "low income" limits, for persons refusing to provide appropriate evidence of income, and for persons who are dependents. A full time student or resident of an institution may be assumed to be a dependent, unless the person demonstrates otherwise or,
- (3) The total of the amounts designated for shelter and utilities if the displaced person is receiving a welfare assistance payment from a program that designates the amounts for shelter and utilities.

**c. Selected comparable replacement dwelling.** Of the comparable listings searched, the property judged the most comparable, referencing the definition of comparable housing provided in paragraph 6-2, shall be used as the "Selected" comparable to calculate the replacement housing payment eligibility for the displaced person. The sponsor shall fully and systematically search the available replacement properties and select that comparable which represents the "Most" comparable property. Figure 6-2 provides a format for comparing the features of available replacement property to the comparability requirements of the acquired dwelling to determine the "Selected" comparable.

**d. Documentation and Certification.** The same process as described in paragraph 6-8 for a 180-day homeowner to select a comparable dwelling is applied to select a comparable replacement rental dwelling. The selected most comparable rental would be that available property for rent that best conforms to the definition of comparable dwelling at paragraph 6-2. The use of the form entitled "Replacement Housing Payment Determination - 90 Day Occupant",

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<sup>3</sup> The U.S. Department of Housing and Urban Development's Public Housing and Section 8 Program Income Limits are updated annually and are available annually on the Federal Highway Administration's website at <http://www.fhwa.dot.gov/realestate/ua/ualic.htm>.

provided in Appendix 1 is recommended for documenting the comparable rental search and calculation of the replacement housing payment eligibility.

**e. . Manner of Disbursement.** A rental assistance payment may, at the sponsor's discretion, be disbursed in either a lump sum or in installments. Under last resort housing procedures installment payments shall be made.

#### **6-15. DOWNPAYMENT ASSISTANCE.**

**a. Amount of payment.** An eligible displaced person who purchases a replacement dwelling is entitled to a downpayment assistance payment in the amount the person would receive under paragraph 6-21 if the person rented a comparable replacement dwelling. At the Sponsor's discretion, a downpayment assistance payment that is less than \$5,250 may be increased to any amount not to exceed \$5,250. However, the payment to a displaced homeowner shall not exceed the amount the owner would receive under Section 1 if the homeowner met the 180-day occupancy requirement. If the Agency elects to provide the maximum payment of \$5,250 as a downpayment, the Agency shall apply this discretion in a uniform and consistent manner, so that eligible displaced persons in like circumstances are treated equally. A displaced person eligible to receive a payment as a 180-day owner-occupant (as described Section 1) is not eligible for this payment.

**b. Application of payment.** The full amount of the replacement housing payment for downpayment assistance must be applied to the purchase price of the replacement dwelling and related incidental expenses.

### **Section 4. REPLACEMENT HOUSING PAYMENT CLAIMS**

#### **6-16. CLAIMS FOR REPLACEMENT HOUSING PAYMENTS.**

In order to obtain a replacement housing payment, a displaced person must file a written claim with the sponsor on a form provided by the sponsor for that purpose. The claim shall be filed within 18 months after the date the applicant moves from the displacement dwelling, or the date of the final payment for the acquisition, whichever is later. Appendix 1 list recommended claim forms that may be used for the sponsor's program.

#### **6-17. PURCHASE/LEASE OF REPLACEMENT DWELLING.**

A displaced person is considered to have met the requirement to purchase a replacement dwelling, if the person:

- a.** Purchases a dwelling;
- b.** Purchases and rehabilitates a substandard dwelling;
- c.** Relocates a dwelling which he or she owns or purchases;
- d.** Constructs a dwelling on a site he or she owns or purchases;
- e.** Contracts for the purchase or construction of a dwelling on a site provided by a builder or on a site the person owns or purchases; or
- f.** Currently owns a previously purchased dwelling and site, valuation of which shall be on the basis of current market value.

**6-18. INSPECTION AND SPONSOR DSS CERTIFICATION OF REPLACEMENT DWELLING.**

a. Before making a replacement housing payment or releasing the initial payment from escrow, the sponsor or its designated representative shall inspect the replacement dwelling and determine whether it is a decent, safe, and sanitary dwelling, see [paragraph 6-3](#).

b. The sponsor shall certify that the dwelling to be purchased by the displaced person is DSS. Figure 6-4 provides a sample inspection and certification statement form. The DSS certification is made solely for purposes of providing the replacement housing payment in accordance with the Uniform Act. A displacee may NOT be paid any replacement housing payments for a dwelling that does not meet DSS standards. The sponsor must advise displaced persons that the sponsor's DSS certification must be made prior to or as a condition to be satisfied in a purchase or sales contract for the purchase of the replacement dwelling.

c. As applicable the sponsor should advise the displacee that the DSS certification is based on a visual inspection and certification that the property condition prior to purchase met the specified DSS standards. The displacee should further be advised that the contract to purchase a replacement dwelling may be made conditional upon a satisfactory structural inspection of the property. The sponsor should maintain referrals of qualified structural engineers or building inspector to perform these inspections. The cost of an inspection secured by the displaced person is a reimbursable incidental cost described at paragraph 6-12.

Section II - To Be Completed By Agency

DSS INSPECTION AND CERTIFICATION  
Displacee: Property Street Address:

Does the replacement dwelling conform to the following standards for Decent, Safe, and Sanitary Housing?

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| 1. Conforms to local housing and occupancy codes?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Structurally sound, weathertight, and in good repair?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Contains a heating system able to maintain 70°F in living area?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Has an adequate, safe electrical wiring system?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Has separate bathroom facilities that conform to DSS standards?<br>(private, hot/cold water to sink & shower/tub, sewer connection, flush water closet, all in working order) | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Has a kitchen facility that conforms to DSS standards?<br>(hot/cold water to sink, connected to sewer, range/refrig space & utility connection, all in working order)         | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Has adequate unobstructed egress?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is property barrier free to accommodate disabled displaced person? <input type="checkbox"/> Yes <input type="checkbox"/> * No <input type="checkbox"/> N/A                    |                          |                          |

\* If No, describe property improvements to be made to provide barrier free ingress, egress, or use of property as required to accommodate disabled person(s) prior to occupancy.

\*\*\*\*\*CERTIFICATION\*\*\*\*\*

TO THE BEST OF MY KNOWLEDGE, BASED ON VISUAL INSPECTION OF THE PROPERTY, THE REPLACEMENT DWELLING MEETS THE STANDARDS FOR DECENT, SAFE, AND SANITARY HOUSING, AS ESTABLISHED IN THE RELOCATION ASSISTANCE PROCEDURES OF THE AIRPORT AUTHORITY AND CONFORMING TO 49 CFR PART 24 FOR FEDERALLY ASSISTED PROJECTS.

THE DWELLING DOES NOT PRESENTLY CONFORM TO DSS REQUIREMENTS, BUT CAN BE MADE TO CONFORM BY ACCOMPLISHING THE FOLLOWING PRIOR TO PURCHASE AND OCCUPANCY. \_\_\_\_\_

THIS DETERMINATION IS MADE ON BEHALF OF THE AIRPORT AUTHORITY, AND IS MADE SOLELY FOR PURPOSES OF DETERMINING ELIGIBILITY FOR REPLACEMENT HOUSING PAYMENTS.

DATE: INSPECTOR/AGENT:

Signature: \_\_\_\_\_

\*\*\*\*\*

Remarks:

**6-19. PAYMENT AFTER DEATH.**

A replacement housing payment is personal to the displaced person and upon his or her death the undisbursed portion of any such payment shall not be paid to the heirs or assigns, except that:

a. The amount attributable to the displaced person's period of actual occupancy of the replacement housing shall be paid.

b. Any remaining payment shall be disbursed to the remaining family members of the displaced household in any case in which a member of a displaced family dies.

c. Any portion of a replacement housing payment necessary to satisfy the legal obligation of an estate in connection with the selection of a replacement dwelling by or on behalf of a deceased person shall be disbursed to the estate.

**6-20. INSURANCE PROCEEDS.**

To the extent necessary to avoid duplicate compensation, the amount of any insurance proceeds received by a person in connection with a loss to the displacement dwelling due to a catastrophic occurrence (fire, flood, etc.) shall be included in the acquisition cost of the displacement dwelling when computing the price differential.

**6-21. DEDUCTIONS FROM RELOCATION PAYMENTS.**

The Sponsor shall deduct the amount of any advance relocation payment from the relocation payment(s) to which a displaced person is otherwise entitled. The Agency shall not withhold any part of a relocation payment to a displaced person to satisfy an obligation to any other creditor.

**6-22. MULTIPLE OCCUPANCY OF ONE DISPLACEMENT DWELLING.**

If two or more occupants of the displacement dwelling move to separate replacement dwellings, each occupant is entitled to and may claim a reasonable prorated share, as determined by the sponsor, of any relocation payments that would have been made if the occupants moved together to a comparable replacement dwelling. However, if the sponsor determines that two or more occupants maintained separate households within the same dwelling, such occupants have separate entitlements to relocation payments.

**6-23. CONVERSION OF PAYMENT.**

A displaced person who initially rents a replacement dwelling and receives a rental assistance payment, but then purchases and occupies a replacement dwelling within the prescribed 1-year period, is eligible to receive a replacement housing payment not to exceed \$22,500 or a downpayment not to exceed \$5,250 if the eligibility criteria for such payment is met. However, any portion of the rental assistance payment that has been previously disbursed to the displaced person shall be deducted from a subsequent replacement housing payment or downpayment.

**6-24. RESERVED**

## **Section 5. REPLACEMENT HOUSING OF LAST RESORT**

### **6-25. DETERMINATION TO PROVIDE REPLACEMENT HOUSING OF LAST RESORT.**

Whenever an AIP assisted project cannot proceed on a timely basis because comparable replacement dwellings are not or are expected not to be available within the statutory limits of \$22,500 for owners or \$5250 tenants, the sponsor shall provide additional or alternative assistance under the provisions of this section to ensure comparable replacement housing is made available to displaced residential occupants. Any decision to provide last resort housing assistance must be adequately justified and documented either:

**a. On a case-by-case basis**, for good cause, which means that appropriate consideration has been given to:

- (1) The availability of comparable replacement housing in the program or project area;
- (2) The resources available to provide comparable replacement housing; and
- (3) The individual circumstances of the displaced person, **or**

**b. On a project wide basis** by a determination that:

(1) There is little, if any, comparable replacement housing available to displaced persons within an entire program or project area; and, therefore, last resort housing assistance is necessary for the area as a whole;

(2) A program or project cannot be advanced to completion in a timely manner without last resort housing assistance; and

(3) The method selected for providing last resort housing assistance is cost effective, considering all elements, which contribute to total program or project costs.

(4) The FAA project manager should concur in the sponsor's determination and Last Resort Housing plan to provide needed comparable housing for the project displacement. Paragraph 6-27 below describes some general methods of providing comparable replacement housing under last resort housing procedures. Assistance on developing and FAA acceptance of last resort housing methods is available from APP-600.

### **6-26. BASIC RIGHTS OF PERSONS TO BE DISPLACED.**

Notwithstanding any provision of this section, no person shall be required to move from a displacement dwelling unless comparable replacement housing is available to such person. No person may be deprived of any rights the person may have under the Uniform Act or 49 CFR 24. The Sponsor shall not require any displaced person to accept a dwelling provided by the Sponsor under housing of last resort procedures (unless the Sponsor and the displaced person have entered into a contract to do so) in lieu of any acquisition payment or any relocation payment for which the person may otherwise be eligible.

**6-27. METHODS OF PROVIDING COMPARABLE REPLACEMENT HOUSING.**

Sponsors shall have broad latitude in implementing last resort housing procedures, but implementation shall be for reasonable cost on a case-by-case basis or as justified for an entire project.

a. The methods of providing replacement housing of last resort include, but are not limited to:

(1) A replacement housing payment in excess of the statutory amounts for replacement housing payments as described in Section 1 and 2 (i.e. \$22,500 for displaced 180-day owners and \$5250 for 90-day residential occupants). A replacement housing payment under this section may be provided in installments or in a lump sum at the Agency's discretion.

(2) Rehabilitation of and/or additions to an existing replacement dwelling.

(3) The construction of a new replacement dwelling.

(4) The provision of a direct loan, which requires regular amortization or deferred repayment. The loan may be unsecured or secured by the real property. The loan may bear interest or be interest-free.

(5) The relocation and, if necessary, rehabilitation of a dwelling.

(6) The purchase of land and/or a replacement dwelling by the displacing Agency and subsequent sale or lease to, or exchange with a displaced person.

(7) The removal of barriers for persons with disabilities.

(8) Reimbursement of reasonable fees when incurred to secure a loan on a replacement property for a person suffering from credit difficulties or similar situations at the time of displacement. Such fees should be limited to that amount normal for conventional loans in the area; however, fees in excess of the norm may be reimbursed when considered necessary and reasonable in the context of the financial ability of the person to pay such fees on a purchase of a comparable dwelling.

(9) Under special circumstances, consistent with the definition of a comparable replacement dwelling, modified methods of providing replacement housing of last resort permit consideration of replacement housing based on space and physical characteristics different from those in the displacement dwelling (see appendix A, § 24.404), including upgraded, but smaller replacement housing that is decent, safe, and sanitary and adequate to accommodate individuals or families displaced from marginal or substandard housing with probable functional obsolescence. In no event, however, shall a displaced person be required to move into a dwelling that is not functionally equivalent in accordance with § 24.2(a)(6)(ii) of this part.

**6-28. SUBSEQUENT OCCUPANTS.**

Subsequent occupants are displaced persons who occupied a dwelling acquired for a FAA assisted project for less than 90 days before the initiation of negotiations or entered occupancy after the initiation of negotiations and are in occupancy on the date the property is acquired. The Agency shall provide assistance under this subpart to such displaced person who is not eligible to receive a replacement housing payment because of failure to meet the length of occupancy requirement when comparable replacement rental housing is not available at rental rates within the displaced person's financial means, see paragraph [6-2\(h\)\(c\)](#). Such assistance shall cover a period of 42 months.

**6-29. RESERVED**

## Section 6. MOBILE HOMES

### 6-30. APPLICABILITY.

This section describes the requirements governing the provision of replacement housing payments to a person displaced from a mobile home and/or mobile home site who meets the basic payment eligibility requirements described in this Chapter. Eligible moving expenses for owners and displaced occupants of mobile homes are described in Chapter 5.

### 6-31. IS THE MOBILE HOME OCCUPANT DISPLACED FROM THE MOBILE HOME?

The Sponsor must determine if mobile home occupants are displaced from their mobile home for a project, applying the following considerations. This determination should be made uniformly to ensure an orderly and equitable relocation of all displaced residents.

**a.** If the mobile homes are real estate under state law (e.g. bought and sold by deed, taxed as real estate, etc.) the mobile home is acquired for the project. THEN the owner or tenant occupants **are** displaced from their acquired dwelling (see paragraph 6-33).

**b.** If the mobile homes are personal property under state law (e.g. not taxed as real estate, bought and sold by transfer of vehicle registration, etc) and the mobile homes can be moved to a comparable replacement sites and provide DSS dwellings to the acquired mobile home park residents; THEN the occupants **are not** displaced from their dwelling (see paragraph 6-34).

**c.** If the mobile homes are personal property under state law (e.g. not taxed as real estate, bought and sold by transfer of vehicle registration, etc) BUT the Sponsor determines that the mobile homes:

- (1) Are not, and cannot economically be made decent, safe, and sanitary;
- (2) Cannot be relocated without substantial damage or unreasonable cost;
- (3) Cannot be relocated because there is no available comparable replacement site; or
- (4) Cannot be relocated because it does not meet mobile home park entrance requirements.

THEN the owner or tenant occupants **are** displaced from their dwelling (see paragraph 6-32).

**d.** Whether or not displaced from the mobile home itself, the owner or tenant occupant of the acquired mobile home site is eligible for a replacement housing payment for the purchase or lease of a comparable replacement home site.

### 6-32. REPLACEMENT HOUSING PAYMENT FOR 180-DAY OWNER DISPLACED FROM A MOBILE HOME OR ACQUIRED MOBILE HOME SITE.

An owner-occupant that is displaced from a mobile home or acquired mobile home site is entitled to a replacement housing payment not to exceed \$22,500 (also see Section 4 Last Resort Housing), if:

**a.** The person occupied the mobile home on the displacement site for at least 180 days immediately before:

(1) The initiation of negotiations to acquire the mobile home, if the person owned the mobile home and the mobile home is real property;

(2) The initiation of negotiations to acquire the mobile home site if the mobile home is personal property, but the person owns the mobile home site; or

(3) The date of the Agency's written notification to the owner-occupant that the owner is determined to be displaced from the mobile home as described in paragraph [6-31\(c\)](#) above.

b. The person meets the other basic eligibility requirements for a 180-day owner replacement housing payment described in paragraph [6-6\(b\)](#); and

c. The Agency acquires the mobile home as real estate, or acquires the mobile home site from the displaced owner, or the mobile home is personal property but the owner is displaced from the mobile home because the Sponsor determines that the mobile home cannot be relocated to provide to a comparable site or be made DSS.

### **6-33. AMOUNT OF PAYMENT, ELIGIBLE 180-DAY OWNER.**

The replacement housing payment for an eligible displaced 180-day owner is computed as described at Paragraph [6-7](#) incorporating the following, as applicable:

a. If the Agency acquires the mobile home as real estate and/or acquires the owned site, the acquisition cost used to compute the price differential payment is the actual amount paid to the owner as just compensation for the acquisition of the mobile home, and/or site, if owned by the displaced mobile homeowner.

b. If the Agency does not purchase the mobile home as real estate but the owner is determined to be displaced from the mobile home and eligible for a replacement housing payment based on paragraph [6-31\(c\)](#) above, the eligible price differential payment for the purchase of a comparable replacement mobile home, is the lesser of the displaced mobile homeowner's net cost to purchase a replacement mobile home (i.e., purchase price of the replacement mobile home less trade-in or sale proceeds of the displacement mobile home); or, the cost of the Agency's selected comparable mobile home less the Agency's estimate of the salvage or trade-in value for the mobile home from which the person is displaced.

c. If a comparable replacement mobile home site is not available, the price differential payment shall be computed on the basis of the reasonable cost of a conventional comparable replacement dwelling.

d. Rental assistance payment for a 180-day owner-occupant that is displaced from a leased or rented mobile home site. If the displacement mobile home site is leased or rented, a displaced 180-day owner-occupant is entitled to a rental assistance payment computed as described paragraph 6-35 below. This rental assistance payment may be used to lease a replacement site; may be applied to the purchase price of a replacement site; or may be applied, with any replacement housing payment attributable to the mobile home, to the purchase of a replacement mobile home or conventional decent, safe and sanitary dwelling.

**6-34. OWNER-OCCUPANT NOT DISPLACED FROM THE MOBILE HOME.**

If the Sponsor determines that a mobile home is personal property and may be relocated to a comparable replacement site, but the owner-occupant elects not to do so, the owner is not entitled to a replacement housing payment for the purchase of a replacement mobile home. However, the owner is eligible for moving costs described paragraph [5-7\(a\)](#) and any replacement housing payment for the purchase or rental of a comparable site as described above if a site owner (180-day owner) or as described in paragraph 6-35 below if a site tenant or less than 90-day owner occupant of the acquired site.

**6-35. REPLACEMENT HOUSING PAYMENT FOR 90-DAY MOBILE HOME OCCUPANT.**

A displaced tenant or owner-occupant of a mobile home and/or site is eligible for a replacement housing payment, not to exceed \$5,250 (also see Section 4 Last Resort Housing), computed as described under [Section 3](#) of this Chapter if:

- a. The person actually occupied the displacement mobile home on the displacement site for at least 90 days immediately prior to the initiation of negotiations;
- b. The person meets the other basic eligibility requirements at paragraph 6-13(b); and
- c. The Agency acquires the mobile home and/or mobile home site, or the mobile home is not acquired by the Agency but the Agency determines that the occupant is displaced from the mobile home because of one of the circumstances described at paragraph [6-31\(c\)](#) above.

## Chapter 7. MANAGEMENT OF ACQUIRED PROPERTY

### 7-1. REQUIREMENTS.

When the Sponsor takes possession and title to acquired real property it assumes the liabilities and obligations as a property owner. The Sponsor must ensure that its property management actions comply with applicable laws and regulations that govern its ownership and the removal or demolition of acquired property improvements.

This Chapter describes the FAA requirements concerning any interim use and the cost effective removal of improvements and clearance of land for eligible project purposes. After project development the ongoing use or release and disposal of airport owned real property is subject to the FAA Compliance Program requirements as described in FAA Order 5190.6A.

### 7-2. OWNER RETENTION.

If the airport owner determines it to be practical and feasible, the owner of improvements or appurtenances on lands being acquired may be offered the option of retaining (buying back) the improvements or appurtenances at a retention (salvage) value. If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the [salvage value](#) of the retained improvement. In addition, when buying back the improvement the owner agrees to remove the improvement from its present site, leaving the former site at an at-grade level free from rubble and any hazardous substance associated with the improvement being relocated.

In lieu of a retention offer, the owner may be advised to purchase the acquired improvements under Sale of Improvements procedures described at paragraph 7-4.

### 7-3. INTERIM RENTAL OF ACQUIRED PROPERTY.

The airport owner may permit a former owner or tenant, after acquisition of the property, to occupy the real property for a short term or a period subject to termination on short notice. However, before entering into a rental agreement, the airport owner should consider the liability it assumes on such property, the expenses involved in the maintenance and upkeep of the property while occupied and the possible difficulty of collecting rent from the short-term occupier. If the airport owner has decided that continued occupancy of the property is prudent, it shall:

**a. Rental Rates.** Establish a rental rate that does not exceed the fair market rent for such occupancy. Since the airport owner has the right to terminate occupancy on short notice, it also has the flexibility to establish a lower rental rate than might be found in a longer, fixed-term situation. However, rental rates must be applied uniformly throughout the project area.

**b. Prepare rental agreements.** When preparing an agreement the airport owner may grant a free rent period of up to but not more than 90 days to a former owner-occupant of a dwelling in which he or she was residing at the time of acquisition.

**c. Supervise property and rental collections through terms of the lease.** The airport owner should also assure that all conditions of a lease are complied with and that improvements are vacated in time for clearance by sale and/or demolition before project construction or other needs that requires clearance.

#### **7-4. SALE OF ACQUIRED IMPROVEMENTS.**

The sale for removal or salvage should generate the greatest return or savings to the project. As soon as a sufficient number of improvements are vacated they should be offered for sale and removal in accordance with the following:

**a. Competitive Bids.** Competitive bids shall be obtained through public auction, or sealed bids whenever practicable. Established acceptable advertising and bidding procedures should be utilized, and acceptance or rejection of the high bid shall be subject to approval by the airport owner. Strict accounting and fiscal controls must be incorporated into the sale procedures and provisions made for adequate performance by the successful bidder. Greater benefits are generally received when:

(1) A marketing study has been initiated to ascertain the demand for the improvements available for sale.

(2) There has been adequate advertising of the sale.

(3) The sale includes a sufficient number of structures to attract buyer interest but not so many as to glut the market.

(4) Buyers are afforded the opportunity to bid on individual improvements or on the basis of taking the entire group offered for sale. However, the airport owner still retains the right to accept bids in the manner that will yield the maximum return to the public.

**b. Negotiated Private Sale.** Only when an improvement fails to sell at a public sale shall a negotiated private sale of the real property be considered. In such instances, justification for the private sale shall be explained and documented prior to approval of the transaction by the airport owner. However, a nonprofit organization can obtain improvements through a private sale with the airport owner for an amount not less than the approved documented salvage value of the improvement.

**c. Contract Obligation.** Upon acceptance of a successful bid, the airport owner should follow up to see that all conditions of the sales contract are met. The cost to remove portions of improvements left by a former owner or purchaser who strips the saleable item of all salvable material, forfeits the performance bond, and leaves the airport owner to remove the remainder by force account, demolition contract, or as an item in the general contract, is not an eligible airport project cost. To prevent the airport owner from incurring additional expenses should the purchaser forfeit the bond, the amount of the bond required of the purchaser should be adequate to cover the cost of the removal.

**d. Disposal of Abandoned Personal Property.** Personal property not moved by the displaced person because of simply abandoning the item, utilizing the tangible loss of personal property provision, or the purchase of a substitute item for a new location. If an item has not been sold or otherwise been disposed of, the airport owner is responsible for the removal. The manner which personal property is disposed or transferred must be documented.

#### **7-5. DEMOLITION OF ACQUIRED IMPROVEMENTS.**

**a. Sponsor Obligation.** For proper disposal of remaining improvements on the project site, it is recommended that the airport owner.

(1) Perform a survey to determine whether any hazardous materials exist on the property. If the survey reveals the presence of any hazardous materials, the airport owner shall identify abatement measures that are necessary to clean up or dispose of such materials in compliance with applicable law.

(2) Obtain or prepare an estimate of the cost of demolition.

(3) Using accepted contracting procedures, advertise and solicit bids for the proposed demolition.

(4) After an award of contract, perform intermediate and final inspections to assure compliance with contract provisions.

**b. Timeliness of Clearance.** The airport owner should implement procedures to ensure that permanently vacated improvements are removed as early as practicable after they are vacated, or otherwise kept under protective surveillance. This action is encouraged so as to avoid vandalism or illegal uses of the property. The prompt clearance of vacated improvements when there are no plans to reoccupy the premises is necessary to reduce the cost to an acceptable level as well as to protect the public's interest that involves public safety, aesthetics, neighborhood preservation, and public health.

**c. Demolition Contract.** Demolition contracts should be of sufficient size to develop maximum competition in bidding.

(1) Bid proposals should provide for plus or minus bids on each structure to be included in the demolition contract. Only in this manner can the airport owner be reasonably certain that it is receiving credit for any salvage value contained within the building.

(2) Except in unusual circumstances, restrictions should not be placed on the method used by the contractor to clear the improvement other than local ordinance or other statutory requirements.

#### **7-6. RODENT AND PEST CONTROL**

On all projects, the airport owner should determine if conditions are such that rodent and pest control measures are necessary. This action should not be necessary on rural projects unless they contain a substantial number of buildings, garbage dumps, landfills, etc.

**a. Inspection.** If a project inspection indicates that rodent and pest control is desirable, action should be taken to eliminate the rodents and pests prior to demolition or removal of improvements located on the project area. Where an inspection is required, the files of the airport owner should contain documentation of the inspection and the decision as to whether or not extermination is necessary. The participation of other interested agencies such as state, county, or city health departments is highly desirable and should be requested.

**b. Procedures.** The airport owner should submit its proposed procedures for accomplishing the intent of this paragraph to the FAA for review and comment. This submission should state that the procedures comply with all state and local laws and regulations governing rodent and pest control. It should also explain the method the airport owner will use to assure the reasonableness of costs to be incurred.

#### **7-7. INCOME FROM PROPERTY MANAGEMENT.**

FAA project manager will provide appropriate instruction to the Sponsor on the use or disposition of any proceeds derived from the management of acquired property. Generally income may offset against expenses, with net income properly accounted for as program income.



## Chapter 8. SPONSOR CERTIFICATION

### 8-1. TITLE EVIDENCE.

When requested by FAA, the sponsor is required to provide evidence that adequate title has been obtained for acquired property. As applicable the property interest obtained must be sufficient to permit possession and control for public airport purposes and allow the sponsor to carry out the obligations and covenants in the grant agreements. Adequate title evidence must be secured and certified by the sponsor's attorney to support the sponsor's certification. Appendix 4 entitled "Guidelines for Sponsor Certification of Title" provides guidelines that may be used by the sponsor's attorney in the preparation and submittal of the title certification when requested by the FAA.

### 8-2. COMPLIANCE TO THE UNIFORM ACT (49 CFR PART 24).

**a. Certification.** The sponsor shall certify that real property was acquired in conformance to the Uniform Act. The sponsor shall, as applicable, certify that all persons displaced from their homes for the project had been offered comparable replacement housing, and that all persons in occupancy at the initiation of negotiations had vacated the property and had been provided reimbursement of their moving expenses to a replacement site in accordance with the requirements of the Uniform Act. This certification will be required to be provided concurrently with a sponsor's request for reimbursement and shall cover the specific parcels for which the sponsor is requesting reimbursement of costs. Certification is also required for FAA grant approval for construction requiring the use of land previously acquired. As applicable certification for construction operations shall provide the status of possession and clearance of the acquired property to accommodate construction. The sponsor management, with authority over the acquisition and relocation process, shall sign the certification statement. Figure 8-1 provides a sample certification statement. This certification form may be downloaded at [http://www.faa.gov/arp/financial/aip/5100\\_38c\\_appendix25.pdf](http://www.faa.gov/arp/financial/aip/5100_38c_appendix25.pdf).

**b. Documentation.** The sponsor shall maintain adequate documentation to support the above certification and to evidence compliance with the Uniform Act and FAA reimbursement requirements. Figure 8-2 provides a checklist which details minimum supporting documentation to be maintained in sponsor parcel files. Documentation deficiencies may result in the loss of Federal funds for costs that may be cited and/or questioned on Federal audit of sponsor program billings.

### 8-3. SPONSOR COMPLIANCE REVIEW AND QUALITY CONTROL.

It is recommended that the sponsor institute a compliance review and quality control function to assure maximum Federal reimbursement of eligible costs. [Appendix 3](#) provides a suggested format to develop a land project Quality Control Program (QCP) that sponsors may complete prior to billing costs for Federal reimbursement. A sponsor instituted QCP will provide greater assurance of the reasonableness of cost incurred to FAA. Depending on the complexity of the project and of the sponsor's organization and fiscal operations the exact structure for this review may vary. However, the review process relies on the detection and correction of errors as they may occur, and generally it may be expected that a simple review process may easily be incorporated into the operational and fiscal functions of the sponsor's existing organizational structure.

**8-4. FAA PROGRAM MONITORING.**

FAA will perform periodic reviews of sponsor programs to assure conformance to Uniform Act mandates. Should program deficiencies be encountered the sponsor will be requested to initiate corrective action to restore compliance. These reviews will also be conducted to provide technical assistance to sponsors to facilitate compliance and program efficiency. The FAA and the sponsor share the common goals to maximize the public benefit of the sponsor's grant and to assure full accountability for the compliance of the sponsor's program to the requirements of the Uniform Act.

Appendix 1 provides a sample [spot check review](#) form that notes the applicable regulatory requirement for a particular work item. This form is available for use by FAA project managers and airport sponsors to review program compliance. This sample form notes the applicable regulatory requirement and AC reference to the particular work item.

**Figure 8-1**

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
SAMPLE AIRPORT IMPROVEMENT PROGRAM  
SPONSOR CERTIFICATION

REAL PROPERTY ACQUISITION

**SEE Cited AC References**

(Sponsor)  
(Work Description)

(Airport)

(Project Number)

Title 49, United States Code, section 47105(d), authorizes the Secretary to require certification from the sponsor that it will comply with the statutory and administrative requirements in carrying out a project under the Airport Improvement Program (AIP). General requirements on real property acquisition and relocation assistance are in Title 49, Code of Federal Regulations (CFR), Part 24. The AIP project grant agreement contains specific requirements and assurances on the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (Uniform Act), as amended.

Except for the certified items below marked not applicable (N/A), the list includes major requirements for this aspect of project implementation, although it is not comprehensive, nor does it relieve the sponsor from fully complying with all applicable statutory and administrative standards.

	Yes	No	N/A	AC References
1. The sponsor's attorney or other official has (will have) good and sufficient title as well as title evidence on property in the project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">1-7</a> <a href="#">Appendix 4</a>
2. If defects and/or encumbrances exist in the title that adversely impact the sponsor's intended use of property in the project, they have been (will be) extinguished, modified, or subordinated.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">1-7</a> <a href="#">Appendix 4</a>
3. If property for airport development is (will be) leased, the following conditions have been met:				<a href="#">1-7</a> <a href="#">Appendix 4</a>
a. The term is for 20 years or the useful life of the project,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(Also see AIP Handbook, Order 5100.38C, Chapter 7)
b. The lessor is a public agency, and				
c. The lease contains no provisions that prevent full compliance with the grant agreement.				
4. Property in the project is (will be) in conformance with the current Exhibit A property map, which is based on deeds, title opinions, land surveys, the approved airport layout plan, and project documentation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">1-6</a>
5. For any acquisition of property interest in noise sensitive approach zones and related areas, property interest was (will be) obtained to ensure land is used for purposes compatible with noise levels associated with operation of the airport.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">1-7</a> (Also see AIP Handbook, Order 5100.38C, Chapter 8)
6. For any acquisition of property interest in runway protection zones and areas related to 14 CFR 77 surfaces, property interest was (will be) obtained for the following:				<a href="#">1-7, 2-15</a>
a. The right of flight,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. The right of ingress and egress to remove obstructions, and				
c. The right to restrict the establishment of future obstructions.				

	Yes	No	N/A	AC References
7. Appraisals prepared by qualified real estate appraisers hired by the sponsor include (will include) the following:				
a. Valuation data to estimate the current market value for the property interest acquired on each parcel, and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">Chapter 2</a> <a href="#">Figure 2-2</a> <a href="#">2-1b</a>
b. Verification that an opportunity has been provided the property owner or representative to accompany appraisers during inspections.				
8. Each appraisal has been (will be) reviewed by a qualified review appraiser to recommend an amount for the offer of just compensation, and the written appraisals as well as review appraisal are available to FAA for review.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">2-3, 2-18</a> <a href="#">Figure 2-1</a>
9. A written offer to acquire each parcel was (will be) presented to the property owner for not less than the approved amount of just compensation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">3-1g, 3-13</a> <a href="#">Figure 3-1</a>
10. Effort was (will be) made to acquire each property through the following negotiation procedures:				
a. No coercive action to induce agreement, and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">3-9(b), 3-9(i),</a> <a href="#">Ch3. Sect. 3</a>
b. Supporting documents for settlements included in the project files.				
11. If a negotiated settlement is not reached, the following procedures were (will be) used:				
a. Condemnation initiated and a court deposit not less than the just compensation made prior to possession of the property, and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">Ch3. Sect. 4</a>
b. Supporting documents for awards included in the project files.				
12. If displacement of persons, businesses, farm operations, or non-profit organizations is involved, a relocation assistance program was (will be) established, with displaced parties receiving general information on the program in writing, including relocation eligibility, and a 90-day notice to vacate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">Chapter 4</a> <a href="#">Ch4. Sect. 3</a> <a href="#">Figures 4-2,3,&amp;4</a>
13. Relocation assistance services, comparable replacement housing, and payment of necessary relocation expenses were (will be) provided within a reasonable time period for each displaced occupant in accordance with the Uniform Act.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<a href="#">4-17</a> <a href="#">Chapter 5</a> <a href="#">Chapter 6</a>

I certify, for the project identified herein, responses to the forgoing items are accurate as marked and have prepared documentation attached hereto for any item marked "no" that is correct and complete.

\_\_\_\_\_  
(Name of Sponsor)

\_\_\_\_\_  
(Signature of Sponsor's Designated Official Representative)

\_\_\_\_\_  
(Typed Name of Sponsor's Designated Official Representative)

\_\_\_\_\_  
(Typed Title of Sponsor's Designated Official Representative)

\_\_\_\_\_  
(Date)

**FIGURE 8-2 ACQUISITION/RELOCATION RECORDS CHECKLIST**

Displacee Name \_\_\_\_\_ Parcel# \_\_\_\_\_ Project# \_\_\_\_\_

Original Address \_\_\_\_\_

New Address \_\_\_\_\_

Phone No.: \_\_\_\_\_

Relocation Agent: \_\_\_\_\_

Owner (complete Part A) _____ Tenant _____	<u>Type of use</u> (check one) Business __, Farm __, Nonprofit Org. __ (complete Parts B & D) Residence _____ (complete Parts B & C)
---	--

Place X for each item, if adequate documentation is in file. Use N/A for non applicant items.

**PART A. ACQUISITION** (owner occupied property only)

1. Appraisal report date, amount, certification? \_\_\_\_\_
2. Owner given opportunity to accompany appraiser? \_\_\_\_\_
3. Appraisal review date, amount & justification? \_\_\_\_\_
4. Initiation of Negotiations, Written offer & Summary Statement? \_\_\_\_\_
5. Offer to acquire tenant-owned improvements? \_\_\_\_\_
6. Offer to buy uneconomic remainder made to owner? \_\_\_\_\_
7. Negotiations log and negotiator's certification? \_\_\_\_\_
8. Administrative settlement date, amount, and justification? \_\_\_\_\_
9. Condemnation award date, amount & documentation? \_\_\_\_\_
10. Just compensation paid or deposited in court prior to date of physical possession? \_\_\_\_\_
11. Incidental expenses paid? Settlement sheet in file? \_\_\_\_\_

**PART B. RELOCATION-GENERAL**

1. Displacee given relocation brochure? \_\_\_\_\_
2. Acquisition stage relocation plan, displacee's relocation needs determined? \_\_\_\_\_
2. Displacee offered relocation advisory services? \_\_\_\_\_
3. Displacee provided written notice of eligibility? \_\_\_\_\_
5. 90 day notice to vacate ? \_\_\_\_\_
6. Relocation contact log? \_\_\_\_\_
7. Displacee notified of right to appeal? \_\_\_\_\_
8. Actual move date? \_\_\_\_\_

**PART C. RELOCATION-RESIDENTIAL**

- 1. Moving costs documented, (actual or scheduled payment)? —
- 2. Personal property storage, location, duration, bills? —
- 3. Calculation and certification of replacement housing payment eligibility? —
- 4. Offer to provide transportation to search for replacement housing, as needed? —
- 5. D.S.S. inspection and certification? —
- 6. Actual purchase price or monthly rent documented (deed/lease)? —
- 7. Closing costs and/or increased mortgage interest differential? Settlement sheet in file? —
- 8. Relocation payment claims? —
- 9. Date and amount of each payment allowed? —
- 10. Last Resort Housing plan and justification? —

**PART D. RELOCATION-BUSINESS, FARM, OR NONPROFIT ORGANIZATION**

- 1. Actual cost commercial move-receipted bills? —
- 2. Self move-bids, cost of obtaining bids, inventory moving expenses finding? —
- 3. Actual direct losses of tangible personal property; advertising & sale costs, etc.? —
- 4. Searching expenses-bills, certified statement of time spent & wage rate? —
- 5. Fixed business (in lieu of) moving expense-payment, justification? —
- 6. Business re-establishment expenses? —
- 7. Relocation payment claims? —
- 8. Date and amount of each payment allowed? —

**REMARKS**

## APPENDIX 1. SAMPLE FORMS

### Land Acquisition and Relocation Assistance FAA Order 5100.37B / AC 150/5100-17

Forms may be downloaded from the FAA Website at <a href="http://www.faa.gov/airports_airtraffic/airports/resources/forms/">http://www.faa.gov/airports_airtraffic/airports/resources/forms/</a>	
FAA FORM	TITLE
Sponsor Certification	Sponsor Certification Statement to FAA
49 CFR 24 Spot Check	Parcel Spot Check
Documentation List	Parcel Documentation Checklist
Quality Control	Parcel Quality Control Review
RHP Certification	180 Day Owner-Occupant
FAA 5100-111	Certificate of Appraiser
FAA 5100-112(URAR)	Summary Appraisal Reports
FAA 5100-123 Revised	Mortgage Interest Differential (MID) Payment Eligibility Computation
	MID Computation - Fixed Mortgage
	MID Computation - ARM
FAA 5100-124 Revised Non-Residential Relocation Payment Claim Forms	Claim Certification
	Schedule A - Moving Payments
	Schedule B - Loss of Tangible Personal Property
	Schedule C - Search Expense
	Schedule D - Reestablishment Expense
FAA 5100-125 Revised Residential Relocation Payment Claim Forms	Schedule E - Related Eligible Expense
	Claim Certification (includes DSS)
	Schedule A - Moving Payments
	Schedule B - RHP 180-day Owner (imbeds MID computation)
	Schedule C - RHP 90-day Occupant
	Schedule D - Downpayment & Incidentals
DSS Certification	Decent, Safe, & Sanitary (DSS) Certification



## APPENDIX 2. 49 CFR PART 24 DEFINITIONS

The following terms are defined by 49 CFR 24 and apply to airport sponsor land acquisition and relocation programs. These terms are referenced through out this Advisory Circular.

### 1. ALIEN NOT LAWFULLY PRESENT IN THE UNITED STATES.

The phrase "alien not lawfully present in the United States" means an alien who is not "lawfully present" in the United States as defined in 8 CFR 103.12 and includes:

a. An alien present in the United States who has not been admitted or paroled into the United States pursuant to the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) and whose stay in the United States has not been authorized by the United States Attorney General, and

b. An alien who is present in the United States after the expiration of the period of stay authorized by the United States Attorney General or who otherwise violates the terms and conditions of admission, parole or authorization to stay in the United States.

### 2. APPRAISAL.

The term appraisal means 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.

### 3. BUSINESS.

The term business means any lawful activity, except a [farm operation](#), that is conducted:

a. Primarily for the purchase, sale, lease and/or rental of personal and/or real property, and/or for the manufacture, processing, and/or marketing of products, commodities, and/or any other personal property;

b. Primarily for the sale of services to the public;

c. Primarily for outdoor advertising display purposes, when the display must be moved as a result of the project; or

d. By a nonprofit organization that has established its nonprofit status under applicable Federal or State law.

### 4. CITIZEN.

The term citizen includes both citizens of the United States and noncitizen nationals.

### 5. COMPARABLE REPLACEMENT DWELLING.

The term comparable replacement dwelling means a dwelling that is:

a. Decent, safe and sanitary as described in paragraph (8) of this section;

b. Functionally equivalent to the displacement dwelling. The term functionally equivalent means that it performs the same function, and provides the same utility. While a comparable replacement dwelling need not possess every feature of the displacement dwelling, the principal features must be present. Generally, functional equivalency is an objective standard, reflecting the range of purposes for which the various physical features of a dwelling may be used.

However, in determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, the Agency may consider reasonable trade-offs for specific features when the replacement unit is equal to or better than the displacement dwelling;

c. Adequate in size to accommodate the occupants;

d. In an area not subject to unreasonable adverse environmental conditions;

e. In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities and commercial and public facilities, and reasonably accessible to the person's place of employment;

f. On a site that is typical in size for residential development with normal site improvements, including customary landscaping. The site need not include special improvements such as outbuildings, swimming pools, or greenhouses.

g. Currently available to the displaced person on the private market except as provided in paragraph (i) below.

h. Within the financial means of the displaced person:

(1) A replacement dwelling purchased by a homeowner in occupancy at the displacement dwelling for at least 180 days prior to initiation of negotiations (180-day homeowner) is considered to be within the homeowner's financial means if the homeowner will receive the full price differential, all increased mortgage interest costs and all incidental expenses as described at [Chapter 6, Section 2](#), plus any additional amount required to be paid under Replacement housing of last resort, as described at [Chapter 6, Section 4](#).

(2) A replacement dwelling rented by an eligible displaced person is considered to be within his or her financial means if, after receiving rental assistance described at [Chapter 6, Section 3](#), the person's monthly rent and estimated average monthly utility costs for the replacement dwelling do not exceed the person's base monthly rental for the displacement dwelling as described at [paragraph 6-21\(b\)](#).

(3) For a displaced person who is not eligible to receive a replacement housing payment because of the person's failure to meet length-of-occupancy requirements, comparable replacement rental housing is considered to be within the person's financial means if a Sponsor pays that portion of the monthly housing costs of a replacement dwelling which exceeds the person's base monthly rent for the displacement dwelling as described in paragraph [6-21\(b\)](#). Such rental assistance must be paid under replacement housing of last resort.

i. For a person receiving government housing assistance before displacement, a dwelling that may reflect similar government housing assistance. In such cases any requirements of the government housing assistance program relating to the size of the replacement dwelling shall apply.

## 6. CONTRIBUTE MATERIALLY

The term contribute materially means that during the 2 taxable years prior to the taxable year in which displacement occurs, or during such other period as the Agency determines to be more equitable, a business or farm operation:

a. Had average annual gross receipts of at least \$5,000; or

- b. Had average annual net earnings of at least \$1,000; or
- c. Contributed at least 33 1/3 percent of the owner's or operator's average annual gross income from all sources.
- d. If the application of the above criteria creates an inequity or hardship in any given case, the Agency may approve the use of other criteria as determined appropriate.

#### **7. DECENT, SAFE, AND SANITARY DWELLING (DSS).**

The term decent, safe, and sanitary dwelling means a dwelling that meets local housing and occupancy codes. However, any of the following standards that are not met by the local code shall apply unless waived for good cause by the Federal Agency funding the project. For purposes of the Uniform Act a DSS dwelling shall:

- a. Be structurally sound, weathertight, and in good repair;
- b. Contain a safe electrical wiring system adequate for lighting and other devices;
- c. Contain a heating system capable of sustaining a healthful temperature (of approximately 70 degrees) for a displaced person, except in those areas where local climatic conditions do not require such a system;
- d. Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced person. The number of persons occupying each habitable room used for sleeping purposes shall not exceed that permitted by local housing codes or, in the absence of local codes, the policies of the displacing Agency. In addition, the sponsor shall follow the requirements for separate bedrooms for children of the opposite gender included in local housing codes or in the absence of local codes, FAA Airports policy that separate bedrooms are allowed;
- e. There shall be a separate, well lighted and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator;
- f. Contains unobstructed egress to safe, open space at ground level; and
- g. For a displaced person with a disability, be free of any barriers that would preclude reasonable ingress, egress, or use of the dwelling by such displaced person. Reasonable accommodation of a displaced person with a disability at the replacement dwelling means the Agency is required to address persons with a physical impairment that substantially limits one or more of the major life activities. In these situations, reasonable accommodation should include the following at a minimum: Doors of adequate width; ramps or other assistance devices to traverse stairs and access bathtubs, shower stalls, toilets and sinks; storage cabinets, vanities, sink and mirrors at appropriate heights. Kitchen accommodations will include sinks and storage cabinets built at appropriate heights for access. The Sponsor shall also consider other items that may be necessary, such as physical modification to a unit, based on the displaced person's needs.

## 8. DISPLACED PERSON.

a. The term displaced person means, except as provided in paragraph b, any person who moves from the real property or moves his or her personal property from the real property. (This includes a person who occupies the real property prior to its acquisition, but who does not meet the length of occupancy requirements of the Uniform Act for displaced homeowners or tenants as described in Chapter 6.)

(4) As a direct result of a [written notice of intent to acquire](#), the [initiation of negotiations](#) for, or the acquisition of, such real property in whole or in part for a project;

(5) As a direct result of rehabilitation or demolition for a project; or

(6) As a direct result of a written notice of intent to acquire, or the acquisition, rehabilitation or demolition of, in whole or in part, other real property on which the person conducts a business or farm operation, for a project. However, eligibility for such person under this paragraph applies only for purposes of obtaining relocation assistance advisory services under § 24.205(c), and moving expenses under § 24.301, § 24.302 or § 24.303.

b. **Persons not displaced.** The following is a nonexclusive listing of persons who do not qualify as displaced persons under this part:

(7) A person who moves before the initiation of negotiations unless the sponsor determines that the person was displaced as a direct result of the program or project;

(8) A person who initially enters into occupancy of the property after the date of its acquisition for the project;

(9) A person who has occupied the property for the purpose of obtaining assistance under the Uniform Act;

(10) A person who is not required to relocate permanently as a direct result of a project. Because occupants in this category are not necessarily considered displaced persons care must be exercised to ensure that they are treated fairly and equitably on the sponsor's AIP assisted programs. If the occupant of a residential dwelling will not be displaced, but is required to relocate temporarily in connection with an AIP assisted project, the temporarily occupied housing must be decent, safe, and sanitary, and the occupant must be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including moving expenses and increased housing costs during the temporary. If an airport tenant business will be shut-down for any significant length of time due to rehabilitation or demolition of a leased site, it may be temporarily relocated and reimbursed for all reasonable out of pocket expenses. The airport sponsor may determine that an airport tenant is displaced if the airport lease must be broken and/or tenant leasehold must be acquired to secure possession of needed land. Any person who disagrees with the sponsor's determination that he or she is not a displaced person may file an [appeal](#) with the airport sponsor.

(11) An owner-occupant who conveys their property as a "[Voluntary Transaction](#)", described in Paragraph 1-3. **However, tenants in occupancy on the purchased property are displaced and entitled to eligible relocation assistance and payments.**

(12) A person whom the sponsor determines is not displaced as a direct result of a partial acquisition;

(13) A person who, after receiving a notice of relocation eligibility is notified in writing that he or she will not be displaced for a project. Such notice shall not be issued unless the person has not moved and the Sponsor agrees to reimburse the person for any expenses incurred to satisfy any binding contractual relocation obligations entered into after the effective date of the notice of relocation eligibility;

(14) A person who retains the right of use and occupancy of the real property for life following its acquisition by the Sponsor;

(15) A person who is determined to be in unlawful occupancy prior to or after the initiation of negotiations, or a person who has been [evicted for cause](#) (see Paragraph 4-3). However, advisory assistance may be provided to unlawful occupants at the option of the Sponsor in order to facilitate the project; or

(16) A person who is not lawfully present in the United States and who has been determined to be ineligible for relocation assistance as prescribed under the Uniform Act.

## **9. DWELLING.**

The term dwelling means the place of permanent or customary and usual residence of a person, according to local custom or law, including a single family house; a single family unit in a two-family, multi-family, or multi-purpose property; a unit of a condominium or cooperative housing project; a non-housekeeping unit; a mobile home; or any other residential unit.

## **10. DWELLING SITE.**

The term dwelling site means a typical site upon which a dwelling is located.

## **11. FARM OPERATION.**

The term farm operation means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

## **12. HOUSEHOLD INCOME.**

The term household income means total gross income received for a 12-month period from all sources (earned and unearned) including, but not limited to wages, salary, child support, alimony, unemployment benefits, workers compensation social security, or the net income from a business. It does not include income received or earned by dependent children and full time students less than 18 years of age.

## **13. INITIATION OF NEGOTIATIONS.**

The initiation of negotiations means the delivery of the initial written offer of just compensation by the sponsor to the owner or the owner's representative to purchase the real property for the project. If the sponsor should issue a [Notice of Intent to Acquire](#), and a person moves after that notice, but before delivery of the initial written purchase offer, the initiation of negotiations means the actual move of the person from the property.

In the case of permanent relocation of a tenant as result of an [Voluntary Transaction](#), the initiation of negotiations as described above, does not become effective for purposes of establishing the tenant eligibility for relocation assistance until there is a written purchase agreement for the real property with the property owner.

**14. MOBILE HOME.**

The term mobile home includes manufactured homes and recreational vehicles used as residences.

**15. MORTGAGE.**

The term mortgage means such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of the State in which the real property is located, together with the credit instruments, if any, secured thereby.

**16. NONPROFIT ORGANIZATION.**

The term nonprofit organization means an organization that is incorporated under the applicable laws of a State as a non-profit organization, and exempt from paying Federal income taxes under section 501 of the Internal Revenue Code (26 U.S.C. 501).

**17. NOTICE OF INTENT TO ACQUIRE.**

This is an explicit written notice the sponsor provides a person to be displaced for a project that establishes eligibility for relocation payments and assistance prior to the [initiation of negotiations](#). This is not a required notice but when justified, may be used in lieu of the subsequently required notice of relocation eligibility described above at paragraph 4-42. This "early" eligibility notice may be beneficial to assist the successful relocation of the displaced person or expedite project clearance. This notice should also provide the anticipated date of the initiation of negotiations, how additional information pertaining to relocation assistance payments and services can be obtained, and the effective date of the notice. If a property is tenant-occupied, both the owner and the tenant will be provided a notice of intent to acquire.

**18. OWNER OF A DWELLING.**

The term owner of a dwelling means a person who is considered to have met the requirement to own a dwelling if the person purchases or holds any of the following interests in real property;

a. Fee title, a life estate, a land contract, a 99 year lease, or a lease including any options for extension with at least 50 years to run from the date of acquisition; or

b. An interest in a cooperative housing project which includes the right to occupy a dwelling;  
or

c. A contract to purchase any of the interests or estates described above in (21)(i) or (ii) of this or,

d. Any other interest, including a partial interest, which in the judgment of the sponsor warrants consideration as ownership.

**19. PERSON.**

The term person means any individual, family, partnership, corporation, or association.

**20. SALVAGE VALUE.**

The term salvage value means the probable sale price of an item offered for sale to knowledgeable buyers with the requirement that it be removed from the property at a buyer's expense (i.e., not eligible for relocation assistance). This includes items for re-use as well as items with components that can be re-used or recycled when there is no reasonable prospect for sale except on this basis.

**21. SMALL BUSINESS.**

A small business is a business having not more than 500 employees working at the site being acquired or displaced by a program or project, which site is the location of economic activity. Sites occupied solely by outdoor advertising signs, displays, or devices do not qualify as a business for purposes of reestablishment expenses.

**22. STATE.**

Any of the several States of the United States or the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or a political subdivision of any of these jurisdictions.

**23. TENANT.**

The term tenant means a person who has the temporary use and occupancy of real property owned by another.

**24. UNECONOMIC REMNANT.**

The term uneconomic remnant means a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property, and which the Sponsor has determined has little or no value or utility to the owner.

**25. UNLAWFUL OCCUPANT.**

A person who occupies without property right, title or payment of rent or a person legally evicted, with no legal rights to occupy a property under State law. A Sponsor, at its discretion, may consider such person to be in lawful occupancy.

**26. UTILITY COSTS.**

The term utility costs means expenses for electricity, gas, other heating and cooking fuels, water and sewer

**27. UTILITY FACILITY.**

The term utility facility means any electric, gas, water, steam power, or materials transmission or distribution system; any transportation system; any communications system, including cable television; and any fixtures, equipment, or other property associated with the operation, maintenance, or repair of any such system. A utility facility may be publicly, privately, or cooperatively owned.

**28. UTILITY RELOCATION.**

The term utility relocation means the adjustment of a utility facility required by the program or project undertaken by the Sponsor. It includes removing and reinstalling the facility, including necessary temporary facilities; acquiring necessary right-of-way on a new location; moving, rearranging or changing the type of existing facilities; and taking any necessary safety and protective measures. It shall also mean constructing a replacement facility that has the functional equivalency of the existing facility and is necessary for the continued operation of the utility service, the project economy, or sequence of project construction.

**29. WAIVER VALUATION.**

The term waiver valuation means the valuation process used and the product produced when the Sponsor determines that an appraisal is not required, pursuant to the [appraisal waiver provisions](#) provided in Paragraph 2-3.

## APPENDIX 3. SPONSOR QUALITY CONTROL PROGRAM

**1. GENERAL.** The sponsor is encouraged to establish and maintain an effective Quality Control Program (QCP) that details the methods and procedures that will be taken to assure conformance to the requirements of the Uniform Act and to assure maximum reimbursement of cost with Federal funds. The following proposes guidelines and areas where a consistent and integrated review process should be initiated to support sponsor actions and costs for Federal reimbursement. The QCP will facilitate sponsor certification of compliance and allow timely Federal reimbursement of AIP project costs.

The intent of the QCP is to enable the sponsor to establish the necessary level of control that will:

**A.** Adequately provide for the acquisition of property and relocation of displaced persons in compliance to the Uniform Act (49 CFR Part 24), and the sponsor's grant assurances.

**B.** Provide sufficient documentation to support Federal reimbursement of project costs, and to provide sponsor control over Federal-aid billings to assure only eligible costs are charged against the AIP grant.

**C.** Allow the sponsor as much latitude as possible to develop its own standard of control that may be fully integrated with the sponsor's existing organization and management goals.

**2. DESCRIPTION OF THE PROGRAM.** The sponsor should develop the QCP adequate for the workload proposed for an AIP assisted project. The QCP is not intended to require redundant review or additional level of inspection than is currently appropriate as determined by the sponsor existing management requirements. The intent of the QCP is to preclude errors in compliance and excess costs by assuring adequate standards and requirements are known and adhered to initially when work is performed. The QCP as adapted for land acquisition and relocation assistance projects is simply a means for the sponsor management and staff to continually evaluate work against requirements and goals, and to assure actions and decisions made reflect applicable requirements. The program, generally described, presents those areas where review and assurance may be made which will lead to the overall acceptability of the sponsor's program. To accomplish this purpose the sponsor's QCP should be organized to address the following:

**A.** Organization of the QCP within the sponsor's acquisition and relocation assistance process for AIP assisted projects.

**B.** Federal-aid pre-billing review and assurance of compliance and eligibility.

**C.** Documentation requirements to support sponsor certification.

**D.** Requirements for corrective action when instances of non-compliance are encountered.

**3. QCP ORGANIZATION.** It is expected that the sponsor's management goals and constraints will be a primary factor in determining the resources that may be devote to an effective QCP. However these same constraints will also dictate the sponsor's ability to take on a project workload, and therefore it is assumed that staff and resources are available for an effective QCP on an AIP assisted project, (see paragraph [1-17](#) of this AC for organization

requirements.) The sponsor implementation of a QCP for land acquisition projects is not intended to require additional review or inspection than what sound management would dictate. The QCP is intended to be implemented throughout the acquisition and relocation process by the sponsor's or consultant staff who are actually performing the work. In effect the QCP provides a format and structure for staff to self evaluate work against requirements, and to provide the required documentation to management to approve or accept decisions and recommendations for necessary payments and costs. Therefore, project workload will be the determinant for the staffing and resource requirements of the sponsor's QCP. Smaller projects will likely not require dedicated staff to process documentation for payment approvals. Large projects will typically require some management and staff to maintain the documentation and approval system. Again it is expected that the organizational requirements will already be in place and the QCP may simply be integrated into this structure.

**4. SPONSOR REVIEW AND ACCEPTANCE.** The form entitled "Sponsor Pre-Reimbursement Compliance Review" provided with this appendix indicates the fundamental requirements for Uniform Act compliance and as well represents the cost items the sponsor will incur on AIP land acquisition and relocation assistance project. It is intended that the recommended form be used to document acceptance of work and ultimately be maintained in the sponsor' central parcel files documenting acceptable work. The following briefly describes the judgments and evaluations that the sponsor should make in reviewing and accepting the work on an AIP project. Detailed requirements may be referenced for each functional category in the provisions of this AC.

**A. Appraisal and Appraisal Review.** The sponsor should assure that the appraised date of value and review date are proximate to assure timely just compensation recommendations are made. Acceptance should not be made if the review date is significantly later than the date of value (e.g. more than 6 months) unless adequately explained by the review appraiser. Also, the documentation of the Uniform Act mandates for the appraiser process of owner accompaniment and adequate review should be scrutinized and accepted prior to the sponsor accepting the appraisal work as complete. It is recommended that the review and acceptance of this work be made by the review appraiser.

**B. Acquisition.** The sponsor's negotiator shall, at a minimum, provide a written offer to the property owner at the initiation of negotiations, a written log of the negotiations, as applicable an offer to acquire tenant owned improvements; and as applicable a negotiated agreement, or a proposed administrative settlement, or a recommendation for condemnation. It is intended that the negotiator will summarize his or her activities on the form provided and present this to the sponsor or acquisition management for acceptance when the negotiations effort is complete or progress is being reviewed under normal sponsor procedures.

**C. Relocation Assistance and Payments.** The sponsor must assure that relocation payments and assistance have been adequately provided to all displaced persons. The review form summarizes the documentation required to evidence acceptable payment determinations of displacee relocation claims. It is expected that relocation assistance staff would maintain this form and submit it for acceptance with displacee claims for payments. The sponsor's acceptance would provide concurrent assurance that Uniform Act compliance had been secured and that the relocation payments provided were reasonable and eligible for reimbursement.

**5. CORRECTIVE ACTION.** Where Uniform Act compliance deficiencies are encountered the sponsor shall document that adequate corrective action had been taken to secure compliance. Where appropriate the sponsor shall indicate costs that are ineligible for Federal reimbursement.

**Sponsor Pre-Reimbursement  
Federal-aid Compliance Review  
(49 CFR Part 24)**

Reviewer/Agent: \_\_\_\_\_, Title: \_\_\_\_\_

Project: \_\_\_\_\_ AIP: \_\_\_\_\_ Parcel: \_\_\_\_\_  
Owner: \_\_\_\_\_ Tenant: \_\_\_\_\_

Address: \_\_\_\_\_

Reviewer	Review Date	Function/Phase
		<b>Appraisal and Appraisal Review</b>
		Appraiser: _____ Review Appraiser: _____ Date of Value: ___/___/___ Review Date: ___/___/___ Appraised Amount:\$ _____ Approved/Accepted? __Y__N* 2ND Appraiser: _____ Date of Value: ___/___/___ Review Date: ___/___/___ Appraised Amount:\$ _____ Approved/Accepted? __Y__N other appraisals? _____ Amount: _____ Accepted? __Y__N Just Compensation Estimate:\$ _____ Owner provided opportunity to accompany appraiser? __Y__N* Appraisal/Appraisal Review Acceptable? __Y__N* *Corrective Action Completed: ___/___/___ (see Remarks)
	__/__/__	
	__/__/__	
	__/__/__	
		<b>Acquisition</b>
		Negotiator: _____ Initial Offer Amt.:\$ _____ Initiation of Negotiations: ___/___/___ Personal Contact: __Y__N Offer in Writing? __Y__N Summary Statement? __Y__N Offer to Acquire Tenant Owned Improvements? __Y__N__N/A Option/Agreement Date: ___/___/___ Amount:\$ _____ Negotiators Log Signed? __Y__N Administrative Settlement:Date ___/___/___ Amount: \$ _____ Settlement Justification Adequate? __Y__N* Condemnation:Date filed: ___/___/___ Amount Deposited:\$ _____ Court Award:Date ___/___/___ Amount: _____ Trial Report Date: ___/___/___ Attorney: _____ Possession Date: ___/___/___ Incidental Costs:\$ _____ Date Paid: ___/___/___ Acquisition Acceptable? __Y__N* *Corrective Action Completed: ___/___/___ (see Remarks)
	__/__/__	
	__/__/__	
		<b>Relocation Assistance- Residential Displacement</b>
		Relocation Assistance Agent: _____ Initial Interview Date: ___/___/___ Brochure Given? __Y__N Relocation Services Offered? __Y__N Accepted? __Y__N Date Eligibility Notice: ___/___/___ RHP Offer Date: ___/___/___ Notice to Vacate Date: ___/___/___ Move Date: ___/___/___ RHP Eligibility Calculation:Date: ___/___/___ Amt:\$ _____ Mortgage Interest Differential(MID) Calculation:\$ _____ List Price Adjustment Made? __Y__N* __N/A Calculations Acceptable? __Y__N* RHP Claimed:Date ___/___/___ Amount\$ _____ MIDAmt.\$ _____ RHP Paid:Date ___/___/___ Amount\$ _____ MIDAmt.\$ _____ Incidental Expenses Claimed: Date ___/___/___ Amt.\$ _____ Paid: Date ___/___/___ Amt.\$ _____ DSS Certification:Date ___/___/___ Acceptable? __Y__N* Replacement Housing Payments Acceptable? __Y__N*
	__/__/__	
	__/__/__	

		<b>Relocation Assistance- Residential Displacement</b>
		Moving Payment: Date Claimed: __/__/__ Amount: \$ _____ Date Paid: __/__/__ Amount: \$ _____
	__/__/__	Moving Payment Type: Schedule __ (# of rooms __): Actual Cost _____
	__/__/__	Moving Payments Acceptable? __Y__N* *Corrective Action Completed __/__/__ (see Remarks)
		<b>Relocation Assistance - Business, Farm, NPO</b>
		Displacee Name: _____ Occupancy: Owner __ Tenant __
		Replacement Site Address: _____
		Relocation Agent: _____
		Initial Interview Date: __/__/__ Brochure Given? __Y__N
		Relocation Services Offered? __Y__N Accepted? __Y__N
		Date Eligibility Notice: __/__/__ RHP Offer Date: __/__/__
		Notice to Vacate Date: __/__/__ Move Date: __/__/__
		Inventory Date: __/__/__ Update: __/__/__ Update: __/__/__
		Moving Bid Date: #1 __/__/__, #2 __/__/__, #3 __/__/__ Amount: \$ _____ \$ _____ \$ _____
		Self Move Eligibility: Amount: \$ _____ Date: __/__/__
		Moving Expense Claim: Date: __/__/__, __/__/__, __/__/__ Amount: \$ _____, \$ _____, \$ _____
		Moving Expense Paid: Date: __/__/__, __/__/__, __/__/__ Amount: \$ _____, \$ _____, \$ _____
		Searching Expense Paid: \$ _____ Reestablishment Expense Paid: \$ _____
		Fixed Payment (In lieu) Amount: \$ _____
	__/__/__	Moving Expense Payments Acceptable? __Y__N*
	__/__/__	*Corrective Action Completed (see Remarks)
Remarks:		

## APPENDIX 4. GUIDELINES FOR SPONSOR CERTIFICATION OF TITLE

BACKGROUND. Section 47106(b)(1) of the Federal Aviation Administration Authorization Act of 1994 (the Act), provides that a Federally assisted airport project cannot be approved until good title is held, satisfactory to the Secretary of the Department of Transportation, for areas of airport use for the landing, taking off, or surface maneuvering of aircraft, or gives assurance, satisfactory to the Secretary, that good title will be acquired. All land acquired under the AIP for airport development, future development, or noise purposes must be acquired in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91.646), as amended.

Section 47105(d) of the Act provides that the Secretary is authorized to require certification from a sponsor regarding compliance with statutory and administrative requirements imposed on such sponsor in connection with an AIP project.

### DISCUSSION.

a. To meet the requirement that the airport sponsor hold "good title," the sponsor's title must be free and clear of any reversionary interest, lien, easement, lease, or other encumbrance that would create undue risk that might deprive the sponsor of control or possession, interfere with its use for public airport purposes, or make it impossible for the sponsor to carry out the obligations and covenants in the grant agreements. The grant agreement Project Assurance, Number 4, specifically relates to the sponsor holding good title satisfactory to the Secretary of the Department of Transportation. Under FAA procedures, satisfactory evidence of good title includes a sponsor certification properly tied to an "Exhibit A", airport property map.

Any defects in the title requiring correction after acceptance by the FAA will be at the sponsor's expense.

b. FAA Order 5100.38A, paragraphs 711 and 712, provide:

1) General: Title with respect to land to be used for landing area or building area purposes can be either fee simple title (free and clear of any and all encumbrances), or title with certain rights excepted or reserved. An *encumbered title* must not deprive the sponsor of possession or control necessary to carry out all obligations under the grant. A deed containing a reversionary clause for "so long as the property is being used for airport purposes," does not negate good title, provided the other conditions are satisfied. Where rights excepted or reserved would prevent the sponsor from carrying out its obligations under the grant, such rights must be extinguished or subordinated prior to approval of the project.

2) Airport Property Subject to a Mortgage. The existence of a mortgage on acquired airport property, in and of itself, will not render such land ineligible. However, the sponsor's ability to meet the principal and interest payments on the mortgage must be satisfied prior to the approval of the project costs.

3) Lease of Aeronautical Land. Private airport sponsors must own the landing and building areas and may not be a lessee of land for aeronautical purposes. In those instances where the public sponsor's title consists of a long-term lease, such title is satisfactory provided the following conditions are met:

(a) If the landing area is leased, the lessor must be a public agency;

(b) The sponsor has a long-term lease (minimum of 20 years from the date of the grant) to all landing areas and building areas;

(c) The lease contains no provision that prevents the sponsor from assuming any of the obligations of the grant agreement;

(d) That consideration for the entire lease be paid in advance. However, this condition may be waived if the sponsor has adequate financial resources to assure future lease payments.

4) Title for Off-Airport Areas. Property interests required in off-airport areas must be sufficient to assure that the sponsor will not be deprived of its right to use and occupy, where necessary, such lands for the purposes intended.

c. Paragraph 702 of Order 5100.38 provides that the interests granted in the airport approach zones (including runway protection zone), horizontal, conical, and transitional zones at airports are required to contain the right of flight. This also includes the right to remove existing obstructions and to restrict the establishment of future obstructions. As used herein, zone means land lying under the appropriate Part 77 surface.

(a) Runway Protection Zone. The sponsor is encouraged to acquire fee title to all land within the runway protection zone, with first priority given to land within the Object Free Area. Structures or activities located on this land must be removed unless excepted by the Airports Division or otherwise needed for air navigation aids. If the fee title acquisition is impracticable, an aviation easement is required. This easement must convey the right of flight with inherent noise and vibration above the approach surface, the right to remove existing obstructions, the right of ingress and egress to enforce the restrictions, and a restriction against the establishment of future obstructions.

(b) Approach and Transitional Zones. The sponsor should acquire the land interest necessary to restrict the use of land in the approach and the transitional zones (the dimensions as cited in the applicable ACs) to activities and purposes compatible with normal airport operations as well as to meet current and anticipated development at the airport. Unless there is a need for future development, compatible use or noise purposes, sponsors are encouraged to acquire the minimum property interest necessary to ensure safe aeronautical use.

## PROCEDURES

a. **TITLE** - The sponsor will investigate the quality of the title obtained and prepare a submission for land acquired under an AIP project consisting of a title evidence package or certification of title, or both, for each parcel or tract of land included in the grant agreement.

1) Title Evidence Package. The sponsor's attorney is to prepare, and maintain in the parcel file, title evidence consisting of the following:

a) A written title opinion that includes:

(1) A basis for the opinion. A title search or title insurance policy may be used at the discretion of the attorney. (Title insurance costs are not eligible for reimbursement, although that part of the cost relating directly to the title search, if identified, is eligible)

(2) A legal description of the parcel.

(3) A statement as to the quality of the title or other interests held.

(4) A statement concerning the defects and encumbrances.

b) Copies of:

(1) The grant deed for fee owned land.

(2) The easement deed for less than fee title interest.

(3) The lease for a long-term lease interest.

(4) The title insurance policy when the title opinion is based on such policy, or the name of the title company and policy number. However, as indicated, title insurance costs are ineligible for reimbursement.

(5) The final order or court decree when land is obtained by condemnation.

(6) Subordination agreements or letters to indicate clearing of encumbrances.

c) The sponsor's attorney should promptly inspect the land upon securing possession to determine any unrecorded easements or occupancy interests which may affect the title and would interfere with the operation and use of the airport. Existing easements encumbering the property should also be noted during the inspection.

2. The title opinion and/or abstract examination is to determine the fee owner of the property and to identify any outstanding interests adverse to the fee. This not only includes encumbrances on the title, but will also identify "clouds on title."

3. Defects and Encumbrances.

a) Any defects in title or outstanding encumbrances such as leases, easements, mortgages, liens, mineral rights, etc., must be set forth in the certification to permit a determination by the FAA as to whether they will interfere with the accomplishment of the project and the use and operation of the airport. If there are outstanding easements that have not been exercised, state whether there is a likelihood of these being exercised. Reserved rights, deed restrictions and similar exceptions frequently require more than a statement.

A STATEMENT BY THE SPONSOR'S ATTORNEY TO THE EFFECT THAT THERE ARE NO OUTSTANDING EXCEPTIONS TO TITLE THAT WILL INTERFERE WITH THE AIRPORT IS NOT ACCEPTABLE WITHOUT EXPLANATION.

b) Some encumbrances have no significant impact on the airport, such as a drainage easement in a non-critical area, whereas other encumbrances have a potential for serious adverse impact, i.e., a power line in the approach. When it is determined and explained that a particular encumbrance will have no adverse effect, no corrective action is required. However, if the exercise of rights granted in an encumbrance could adversely affect the airport, the encumbrance must be extinguished, modified, or subordinated to airport use. A general Subordination Agreement (Exhibit B) and Subordination Agreement - Oil, Gas and Mineral Rights (Exhibit C) are attached as samples. For example, a utility easement granting the right to install power lines in an approach area could result in a hazardous obstruction. In such a case, the easement would have to be:

(1) Extinguished; or,

(2) Modified so that the height and location of the power line is restricted to the extent necessary for safety (possibly the line would have to be buried); or,

(3) Generally subordinated to airport use and development. That is, allowed to remain but no change or modification to the power line permitted without airport approval, as reflected in Exhibit B.

4) Delays in grants and grant payments can be avoided when defects and encumbrances are evaluated and necessary action completed at the time certification is submitted.

#### 4. Certification of Title

a) The decision to require submittal of a certificate rests entirely with the FAA. Determinations concerning acceptability of certification of title is an FAA administrative determination. A certification that may be submitted should provide FAA with the information required to make such a determination.

b) Using the certification procedure, the sponsor will submit a letter of certification to the appropriate FAA office. The letter must be signed by the sponsor official authorized to sign the grant agreement and by the sponsor's attorney. A sample Certification of Title is provided following this section.

c) Acceptance of certification is based on the qualifications, record, and past performance of the sponsor in previous submittals of title documentation. Acceptance by the FAA is not mandatory and will be used with judgment depending on the factors involved.

d) Acceptance of certification does not relieve the sponsor of the requirement to obtain the necessary title documents as required by paragraph 5.a.2 above nor the clearing of encumbrances that may effect the use and operation of the airport.

e) The acceptance of a certification will be rescinded if it is determined by the FAA that the sponsor has not, in fact, complied with the requirements of the certification. If such determination is made after the grant agreement has been accepted, acceptance of the certification may be rescinded and the grant may be suspended.

**CERTIFICATE OF TITLE**

Address to Appropriate Airports

District Office Manager

Dear:

The \_\_\_\_\_ (hereinafter referred to as the "Sponsor"), pursuant to Section 47105(d) of the Federal Aviation Administration Authorization Act of 1994 (and amendments), hereby certifies that satisfactory property interest to the land indicated herein is vested in the Sponsor under the terms and conditions of a Grant Agreement with the Federal Aviation Administration, Federal Project No. \_\_\_\_\_.

In the opinion of \_\_\_\_\_, Attorney for the Sponsor, the Sponsor has full legal title to the property interest indicated and, as shown on the Exhibit "A" as of the time and date stated in the title documents, has adequate title to satisfy local laws and ordinances:

	Quality of Interest
Parcel Number (Per Exhibit "A")	(Fee, Easement, etc.)
_____	_____
_____	_____
_____	_____
_____	_____

The land interest acquired meets the requirements of the Federal Aviation Administration, except for easements, liens, separate mineral estate, leases, or other encumbrances on the parcels noted below. However, such encumbrances, which are described on the attachment, do not affect the use of the land for airport purposes.

Parcel(s) \_\_\_\_\_  
\_\_\_\_\_

The evidence of title is based on an: (Check One)

\_\_\_\_\_ An abstract and record examination conducted on \_\_\_\_\_, or

\_\_\_\_\_ Title Insurance Policy No. \_\_\_\_\_ issued on \_\_\_\_\_ by  
the \_\_\_\_\_ Title Insurance Company.

RECORDATION DATA: Recorded \_\_\_\_\_(date) in the land records of  
\_\_\_\_\_ (County/City), \_\_\_\_\_ (State), in Book \_\_\_\_\_ Page \_\_\_\_\_.

The sponsor recognizes and accepts full responsibility for the clearing of any outstanding encumbrances, defects, and exceptions to the title that may in any way affect the future use and operation of the land for airport purposes as may be determined by the FAA. It is understood

that the FAA reserves the right to cancel this certification at any time. Although specific title evidence documents are not submitted herewith, copies of deeds and other appropriate evidence of title for the land are on file with the Sponsor and are available for inspection by the FAA.

Sincerely,

---

Name of Sponsor

---

Signature of sponsor official authorized to sign

Grant Agreement

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Date

---

Signature of Sponsor's Attorney

(For use when there is a co-Sponsor)

---

Name of Sponsor

---

Signature of sponsor official

authorized to sign Grant Agreement

---

Date

---

Signature of Sponsor Attorney

UTILITY SUBORDINATION AGREEMENT

THIS AGREEMENT made and entered into the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, by and between \_\_\_\_\_(Utility), \_\_\_\_\_ County, State of \_\_\_\_\_, hereinafter referred to as Company," and the City of \_\_\_\_\_, a municipal corporation, hereinafter referred to as "City."

WITNESSETH:

WHEREAS, the City is the owner of that certain Municipal Airport located in \_\_\_\_\_ County, State of \_\_\_\_\_, and

WHEREAS, Company is the owner of (facility) and an easement for (facility) across a tract of land X feet in width lying in that part of Section 12, Township 12 South, Range 24 East of the 6th P.M., \_\_\_\_\_ County, State of \_\_\_\_\_, the centerline of which is described as follows: Beginning at a point . . . . . as shown by that certain Right of Way Easement recorded in Book , Page of the land records of, \_\_\_\_\_ County, State of \_\_\_\_\_, which said line and easement are located in under, upon and across a part of said Municipal Airport real estate, and,

WHEREAS, for the City to acquire airport improvement funds from the Federal Aviation Administration it is required that District agree with the City that Company will subordinate its rights under said easement to airport use and development and will not, in the maintenance, repair, removal, relocation, or replacement of its said (facility), go upon the City's said airport property or in any manner interfere with or interrupt the use or operation of said airport or its attendant facilities, without prior coordination with, and the approval and/or issuance of permit by the City.

NOW THEREFORE, the parties hereto agree, each with the other, that Company will not, in the maintenance, repair, removal, relocation, or replacement of its above described facility, or in the exercise of any other easement right, go upon the City's said airport property or in any manner interfere with or interrupt the use or operation of said airport or its attendant facilities, without the prior approval of the City; and the City shall not unreasonably withhold such approval.

This agreement is and shall be binding upon and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, we hereunto set our hands and seals on the day and year below our signatures indicated.

\_\_\_\_ COMPANY  
\_\_\_\_ County, \_\_\_\_\_ State  
BY: \_\_\_\_\_  
DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_

CITY OF \_\_\_\_\_, \_\_\_\_\_ STATE  
A MUNICIPAL CORPORATION  
BY: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTEST: \_\_\_\_\_ ---NOTARIZED---  
City Clerk

**SUBORDINATION AGREEMENT  
OIL GAS and MINERAL RIGHTS**

THIS AGREEMENT made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Owners name residing at \_\_\_\_\_ County of \_\_\_\_\_, State of \_\_\_\_\_, and the \_\_\_\_\_ of \_\_\_\_\_, a municipal corporation and owner of the \_\_\_\_\_ airport, hereinafter referred to as "Sponsor".

WHEREAS, Owners name is the owner of an undivided interest in and to all of the oil, gas and other minerals in, under or that may be produced from a certain \_\_\_\_\_ acre tract of land as further described in Exhibit "A", attached hereto; and, also a certain \_\_\_\_\_ acre tract of land as further described in Exhibit "B", attached hereto; and,

WHEREAS, the sponsor has purchased the tract of land described in Exhibit "A" for airport purposes and has acquired an avigation easement over the tract of land described in Exhibit "B"; and,

WHEREAS, the sponsor is the owner of the \_\_\_\_\_ airport constructed on the above described property, and the safe and efficient use, operation, maintenance, development and control of the airport requires the subordination of said mineral interests as provided herein;

NOW, THEREFORE, for and in consideration of the sum of ONE AND NO/100 (\$1.00) DOLLARS and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged and confessed by Owners name the parties hereto agree as follows:

That the right to use the surface of the lands described in the attached Exhibit "A" and Exhibit "B" to explore for and produce oil, gas and other minerals will not be exercised in any manner that would, in the opinion of the sponsor or the Federal Aviation Administration, Southwest Region, their successors and nominees, adversely affect the safe and efficient use, operation, maintenance, development and control of said described property as an airport or for airport purposes; nor will such rights be exercised contrary to the rules and regulations of the sponsor or the Federal Aviation Administration, Southwest Region, their successors or nominees; but, otherwise this agreement shall in no way limit or alter the right of Owners name to the full use and enjoyment of such undivided interest in and to such oil, gas or other minerals.

It is understood and agreed that the covenants contained in this agreement are and shall be binding upon and inure to the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have set our hands and seals on the day and year below our signatures indicated.

\_\_\_\_\_

Mineral owners typed name    Mineral owners signature

ATTEST

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_ COMPANY

\_\_\_\_\_ County, \_\_\_\_\_ State

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_

CITY OF \_\_\_\_\_, \_\_\_\_\_ STATE

A MUNICIPAL CORPORATION

BY: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST: \_\_\_\_\_

City Clerk

---NOTARIZED---

\_\_\_\_\_