FTA Real Estate Workshop

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Real Estate Manager
November 1-2, 2012
Frequent and Reoccurring Compliance Issues

- Weaknesses in Grantees Real Estate Program
- How to fix the Weaknesses
- Training Opportunities and Guidance
Uniform Act
(Statutory Requirements-Amplify Amendments)

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646)
Uniform Act Has A Threefold Purpose

• Provide for uniform and equitable treatment of persons displaced from their homes, businesses or farms by Federal and federally-assisted programs; and

• Establish uniform and equitable land acquisition policies for Federal and federally-assisted programs

• To ensure that Agencies implement these regulations in a manner that is efficient and cost effective.
Components of the Uniform Act

Public Law 91-646

Title I: General Provisions
- Definitions
- Eligibility

Title II: Relocation
- Moving
- Replacement Housing
- Relocation Services

Title III: Acquisition
- Appraisal
- Negotiations
### Affected Federal Agencies

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<td>Dept. of Agriculture</td>
<td>HUD</td>
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<td>Dept. of Commerce</td>
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<td>HHS</td>
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Frequent and Recurring Compliance Issues, and Program Weaknesses

• Appraisal and Appraisal Review
• File Maintenance and Documentation
• Sequence of Events in Acquisition
• Failure to Identify Non-participating Costs
• Rent Schedules and Global Settlements
• Unqualified Consultants
• Staff Training
• Real Estate Management Plan
Appraisal and Appraisal Review

• Uniform Relocation Assistance and Real Property Acquisition Polices Act, as Amended
  – 49 CFR Part 24
    • 24.103 (Criteria for Appraisals)
    • 24.104 (Appraisal Review)
  – FTA Circular 5010.1D, Chapters 1 and 4

• Uniform Standard of Professional Appraisal Practice (USPAP)
Appraisal and Appraisal Review

• Scope of Work to the appraiser does not address the difference between Uniform Standard of Professional Appraisal Practices (USPAP) and 49 CFR Part 24
Reoccurring Problems in the Appraisal and Review

• Lack of sales verification with a party to the transaction
• Lack of proper scope of work to the appraiser
• Lack of 5 year sales history
• Failure to offer the owner the opportunity to accompany the appraiser on inspection
• Grantee not properly addressing the cost of cure in the appraisal
File Maintenance and Documentation

• Inspection General (IG) Hot Button
• 49 CFR 24.9 (Recordkeeping)
  – No documentation
  – Poor documentation
  – Proper documentation
• Should tell a Story from A-Z - It’s Your Story- Tell It
Sequence of Events in Acquisition

   Relocation     Condemnation

Sequence is Mandated by:

- Uniform Act
- 49 CFR Part 24
- Grant Agreement
- FTA Circular 5010.1D
Frequent and Reoccurring Compliance Issues

• Failure to Identify Non-participating Costs
• Rent Schedules
• Global Settlements
• No documentation for administrative settlements
• Outdated Real Estate Manuals
• Lack of documentation on property disposition
Unqualified Consultants

- Selecting a Consultant – (FTA Website)
- Know the knowledge Level of your Consultants
  - Experience in:
    - Developing schedules and budget estimates
    - FTA Circulars and Guidance
    - Uniform Act and Implementing Regulations
What is FTA Doing to help?

- Developed an FTA Real Estate Requirements Course (Revising based on Map-21)
- Goal is to set up a real state website page with guidance information
- Developed a Brochure to be used for Public Hearings and Interviews
- Developed and Published a Uniform Act Guide
- Develop future Real Estate Webinar
- Continue to provide Real Estate Workshops
FTA Real Estate Requirements Course 2012 and 2013

- Orlando (Complete) February 2012
- Atlanta (Complete) October 2012
- Seattle – March 2013
- Kansas, Mo. April- 2013

- Request made for 2013-2014
  - Utah
  - Miami
Real Estate Acquisition Management Plan (RAMP)

- Poorly Documented
- Out of date
  - Design Changes
  - Regulations or Guidance Change
- It is a working document
Thank you

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