



Monte Vista URA Spot Blight
Demolition Program and
Acquisition/Rehabilitation/Resale
Program Policies and Procedures

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Exhibit 1 - Sample Voluntary Acquisition Notice

Exhibit 2 - Sample Involuntary Acquisition Notice of Interest

Monte Vista URA Spot Blight Demolition, Acquisition/Rehabilitation/Resale Program

Program Mission

The purpose of the MVURA Spot Blight Demolition (“Demo”) Program and the Acquisition/Rehabilitation/Resale (“ARR”) Program is to identify individual blighted properties within Monte Vista and complete specific improvements which result in improved neighborhood characteristics and values. Numerous properties throughout Monte Vista have been neglected and fallen into disrepair, and have created negative impacts on surrounding properties and neighborhoods. This program has obtained grant funding to complete Demo and ARR improvements on selected properties. Properties assisted by the Demo and ARR programs will have restrictions for future use by households earning up to 80% of Area Median Income, as defined by the U.S. Department of Housing and Urban Development (“Low-Moderate Income Households”).

Monte Vista Urban Renewal Authority

The Monte Vista Urban Renewal Authority (“MVURA”) was established in 1988 by the City of Monte Vista, and tasked with several projects relating to downtown improvements and revitalization. The MVURA developed an Urban Renewal Plan (“Plan”), which created goals and objectives, and developed three (3) project phases. The MVURA completed work through the 1990’s and early 2000, all consistent with the plan and identified goals and objectives. In 2005, MVURA revised the Plan and refined project phases and specific project elements, and again work was completed on a variety of project elements. No new work was identified and the MVURA Commission was dormant for several years. In 2014, the MVURA Commission was re-established and the Mayor recruited new commission members. The new MVURA Commission was approved by the Monte Vista City Council, and began work on revising the Plan for a new program to address spot blight with the city limits. The revised Plan was approved by the City in November of 2015, and identified a new Phase Four and Five which has become the focus and objective for the MVURA.

Spot Blight Demo, ARR Program History

Per the new Urban Renewal Plan adopted in 2014 and specifically Phase Four, the MVURA began a thorough review and assessment of over 100 properties that were in various stages of disrepair and neglect. Simultaneously, the City of Monte Vista and MVURA sought grant funding to financially support the program, and in December of 2014 received grant approval for CDBG funds to be used for Demo and ARR improvements from the Colorado Department of Local Affairs (“DOLA”). The required CDBG environmental clearance work was completed and approved in August of 2016. The Demo and ARR Program is unique and required intense coordination between DOLA staff and the MVURA to refine grant contract requirements and restrictions. All activities will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (“Uniform Act” or “URA”) and Section 104(d) of the Housing and Community Development Act of 1974, as amended (“Section 104(d)"). These policies and procedures are specific to this program and associated grant criteria.

The MVURA is working closely with the City of Monte Vista on this project.

Governance & Responsibilities

Governance

The Demo and ARR Program is directed and overseen by the MVURA, and specifically the MVURA Commission, which is appointed by the Monte Vista City Council. The MVURA has Bylaws that were approved in 2003 and which provide specific guidance and direction consistent with Colorado State Statutes. The MVURA enjoys specific authority vested in it by Colorado State Statutes, and has an approved Plan which defines intended work phases. The MVURA will work closely with the Monte Vista City Council, the City Manager and City staff. A Program Manager has been working on this project since early inception and will continue to work for the MVURA and receive specific direction from the MVURA Commission throughout the project. The MVURA will retain consultants and support staff when needed for various project phases. MVURA meetings are open to the public and all applicable laws and statutes will be adhered to at all times.

Below is a list of Program tasks and responsibilities for the MVURA Commission:

- 1) The Commission shall meet monthly to discuss program activities and progress, approved meeting minutes and program expenses, and generally conduct and complete required business functions.
- 2) The Commission shall review and approve all marketing and customer communications materials, forms, contracts, and policy manuals.
- 3) The Commission shall work with the Program Manager to identify properties for both Demo and ARR improvements.
- 4) The Commission shall work with other non-profit or government agencies associated with housing and utilize resources and expertise when necessary to ensure compliance with all grant responsibilities.
- 5) The Commission shall ensure all grant responsibilities and requirements are adhered to during both phases of work and into future aspects of the program.
- 6) The Commission shall receive, review and approve an annual report detailing the Program activities for the year. The annual report shall provide details on grant funding and include funds spent and funds remaining.
- 7) The Commission shall oversee the Programs throughout the target areas needing rehabilitation in their jurisdiction and shall provide marketing assistance. Each member shall also participate and actively assist the Program in securing the necessary funds to maintain the operations of the Program.

City of Monte Vista

The City of Monte Vista (City) will work closely with the MVURA to ensure compliance with all program grant requirements and coordination on various program elements. The City Council will receive monthly reports on Program activities, and will approve appointment of new

Commissioners when necessary. The City Manager will work with and between the MVURA and the City Council and ensure both entities are briefed on program achievements. The City Public Works Director will work with the MVURA to coordinate all Demo work on approved properties, and work will also be completed by Public Works Department staff, when possible. The City Finance Director will assist the MVURA with financial management services including establishment of restricted fund accounts, distribution of funds, financial reporting, and other necessary support deemed necessary by the City Manager.

Program Manager, Support Staff, Consultants and Contractors

The Program Manager will work on elements of the Program and directly for the MVURA. Support staff, consultants and contractors will be retained when needed to ensure the Program requirements are fulfilled.

Housing and Other Non-Profit Agencies

The MVURA will seek support and participation from local and regional housing agencies to assist with constructing affordable homes on properties vacated by the Demo Program, reselling properties acquired and rehabilitated by the ARR Program, and identifying and qualifying Low-Moderate Income Households to purchase and occupy properties restricted to such households (“Participating Non-Profit Agencies”). The MVURA will coordinate with each Participating Non-Profit Agency to develop a Memorandum of Understanding (“MOU”), which shall be approved by each respective governing body. At a minimum, each MOU shall describe the process for recruiting, identifying, and qualifying Low-Moderate Income Households to purchase the deed-restricted properties. If applicable, the MOU shall also include the process to transfer ownership of Demo Program deed-restricted properties to the Participating Non-Profit Agency, and the parties’ understanding of their respective responsibilities to construct homes on cleared properties and sell them at affordable sales prices to Low-Moderate Income Households. The MVURA may choose to designate a Participating Non-Profit Agency as a recipient or designee of a First Right of Refusal, as detailed below.

General Program Guidelines

Acquisition/Rehabilitation/Resale Program

Grant funds have been secured for the Acquisition/Rehabilitation/Resale of blighted structures that are deteriorated but still retain useful and structural integrity. The MVURA had a housing Marketing Feasibility Study completed in May of 2015, which established a range of housing prices in Monte Vista (“Study”). This Study will be utilized to estimate the market value of housing for acquisition and resale. The MVURA will seek to acquire identified properties following the completion of the requirements, inspections and negotiations below:

1. The MVURA will categorize its list of identified blighted properties into those for which participation in the ARR Program would benefit the community, and those that are critical sites that must be acquired and rehabilitated in order for the program to be successful. For the former type of property, the MVURA will pursue a Voluntary Acquisition. If negotiations

fail with the property owner, the MVURA will not acquire the property and it will not be assisted by the program. For the latter type of property, the MVURA will pursue an Involuntary Acquisition with the option to use eminent domain. Each acquisition process is described in detail below.

2. To minimize displacement and relocation costs under the URA, the MVURA will only target properties which are currently vacant and have not been occupied for at least 12 months.
3. Prior to acquisition of properties, MVURA program staff, consultants, and/or contractors will inspect structures on participating properties to assess their condition, including determining the presence of hazardous materials. These inspections will inform the scope of rehabilitation work and cost estimate for each home if it is ultimately acquired.
4. Prior to acquisition, each subject property must obtain a site specific environmental clearance from DOLA.
5. Upon acquisition, the MVURA shall record a deed restriction limiting the initial occupancy of the property to Low-Moderate Income Households and limiting future sales of the property to low-moderate income buyers. The contract requirements for the ARR Program stipulate that 100% of properties must be restricted for this use.
6. Following acquisition, the MVURA will complete the rehabilitation of the property in accordance with the requirements of the grant with DOLA. Rehabilitation work will conform to the DOLA Division of Housing Single-Family Housing Rehabilitation Standards, available on DOLA's website.
7. Following completion of home construction on each site, the MVURA or the Participating Non-Profit Agency shall establish an affordable sales price for the home, based on what a Low-Moderate Income Household can afford according to standard practices of mortgage underwriting ("Affordable Sales Price").
8. Each buyer of an ARR home reserved for Low-Moderate Income Households shall record a deed restriction upon purchase of the home, requiring that they maintain the home as their primary residence, and restricting future sales to Low-Moderate Income Households. These restrictions shall remain in effect for five (5) years from the date of purchase by the original Low-Moderate Income buyer.

Voluntary Acquisition

The MVURA will identify properties that it may want to acquire for the ARR Program, but that are not critical to the program's success. To pursue acquisition of these sites, MVURA will complete and document each requirement for a Voluntary Acquisition:

1. The MVURA will determine the estimated value of the property, with either an appraisal or another documented reasonable method to determine value.
2. The MVURA will contact the owner to notify them of the MVURA's interest in purchasing the property by issuing a Voluntary Acquisition Notice*, either personally served with signature obtained to acknowledge receipt, or via certified mail with a return receipt requested. This notice shall include:
 - The date of the notice;
 - The address of the property;
 - Identification of the MVURA as the entity interested in purchasing the property;

- Notification that federal funds may be used to purchase the property, including the specific source (i.e. CDBG);
- A statement that if negotiations fail, MVURA will not acquire the property;
- The estimated value of the property, which shall be the initial price offered for purchase if the sale is completed (subject to negotiations);
- Notification that the owner shall not be eligible for relocation benefits; and
- The name and contact information for the relevant MVURA staff person.

*A sample Voluntary Acquisition Notice is attached as **Exhibit 1**.

3. The MVURA will require the owner to provide and certify as accurate information on occupancy of the property for the prior 12 month period. This will assist the MVURA to determine if acquisition of the property may trigger URA requirements, and will inform the MVURA's decision to move forward with acquisition of the site. Structures must be vacant, not have had a tenant within one year and cannot hold any tenant property for the MVURA to proceed.
4. The MVURA will lead negotiations with the owner, and will discuss the terms of the acquisition with and obtain approval from the MVURA Commission prior to finalizing negotiations.
5. If the MVURA and the owner come to mutual agreement on the terms of the sale, the MVURA will acquire the property, but in no cases will the purchase price exceed market value.
6. The MVURA will maintain a copy of the Settlement Statement and the recorded deed in the acquisition case file.

Involuntary Acquisition/Eminent Domain

The MVURA will only consider involuntary acquisition or the use of eminent domain in a situation in which a property creates an immediate threat to the safety of the public and has been designated as a dangerous building under Monte Vista Municipal Code, Section 14-6-70. Each involuntary acquisition/use of eminent domain must be approved in advance by DOLA. In these cases, the MVURA will follow the below process as required by the Uniform Act and Section 104(d). Documentation of the below steps, as applicable, shall be maintained in each acquisition case file.

1. **Issue Notice of Interest to Owner (49 CFR 24.102(b)).** This notice is the MVURA's initial communication to the property owner. It shall be issued in writing and provide notice informing the owner of the MVURA's interest in acquiring their property. It is not a commitment and does not establish relocation eligibility. It also includes an informational brochure on the basic protections of property owners under the Uniform Act and regulations. A sample form is attached as **Exhibit 2**. The case file shall include a copy of this notice and shall indicate the manner (e.g., certified mail, return receipt requested) and date of delivery.
2. **Appraise Property/Review Appraisal (49 CFR 24.102(c), 103 & 104).** The MVURA will develop a scope of work and define the problem for the appraisal consistent with 49 CFR 24.103(a)(1). The MVURA shall hire each appraiser in accordance with federal procurement requirements (found at 2 CFR Part 200 §§318-326). The property owner

shall be invited to accompany the appraiser during the on-site assessment. Once the initial appraisal is complete, a qualified review appraiser shall examine the presentation and analysis of market information in the appraisal to ensure it supports the appraiser's opinion of value, and meets the definition of appraisal in the regulations and other applicable requirements, including, as appropriate, the UASFLA. Where the owner or another person or entity provides an alternative appraisal, the review appraiser shall examine the presentation and analysis of market information in all appraisals to assure that they meet the definition of appraisal found in 49 CFR 24.2(a)(3), the appraisal requirements found in 49 CFR 24.103, and other applicable requirements (including, to the extent appropriate, the UASFLA), and support the appraiser's opinion of value.

3. **Establish Offer of Just Compensation/Written Offer (49 CFR 24.102(d), 104).** A MVURA official shall establish just compensation for the property. The amount shall not be less than the approved appraisal of the fair market value of the property, accounting for the value of allowable damages or benefits to any remaining property. Promptly thereafter, the MVURA shall make a written offer to the owner to acquire the property for the full amount believed to be just compensation.
4. **Provide Owner Written Offer and Summary Statement for Property (49 CFR 24.102(e)).** The MVURA shall provide owner an initial written purchase offer, including a written statement of the basis for the offer of just compensation. The offer shall include a description and location identification of the property, the interest in the property to be acquired, and identification of all improvements included in the offer.
5. **Negotiate with Owner (49 CFR 24.102(f)).** The MVURA shall make a reasonable effort to contact the owner or their representative to discuss the purchase offer, including the basis for the offer of just compensation and the acquisition policies and procedures, including payment of incidental expenses. 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, which the MVURA shall consider. If negotiations are successful, the MVURA and owner will complete the sale.
6. **Administrative Settlement (49 CFR 24.102(i)).** If negotiations described in step 5 are unsuccessful, the MVURA will consider an administrative settlement. The purchase price for the property may exceed the just compensation amount when reasonable efforts to negotiate an agreement fail and the MVURA approves the administrative settlement as reasonable, prudent, and in the public interest. The MVURA shall prepare a written justification detailing available information, including trial risks, in support of the administrative settlement. Appraisers/review appraisers shall not be asked to adjust the estimate of value to justify the administrative settlement amount.
7. **Eminent Domain.** If the administrative settlement negotiations are unsuccessful, the MVURA may acquire the property through eminent domain by filing for condemnation. Owner will be eligible for relocation benefits. Because the MVURA will only acquire properties that are vacant, anticipated relocation costs are minimal: owners may be eligible for moving expenses if they move personal property from the acquired real property.

Demolition Program

Grant funds have been secured for the demolition of vacant, blighted, substandard structures not suitable for rehabilitation. These are dilapidated or deteriorated housing units, for which repair is financially infeasible, meaning rehabilitation costs would exceed 50 percent of the cost to replace the dwelling. The MVURA will contact owners of identified properties, ask them to participate in this program, and notify them that their participation is voluntary and they will not qualify for any relocation assistance under the URA. The MVURA will proceed only with properties for which the owners are willing to participate. Following receipt of site specific environmental clearance and removal/abatement of all hazardous materials, MVURA will demolish the dilapidated structures. The MVURA will cover all costs of hazardous material testing and removal, and no grant funds will be used for this work. In order to minimize displacement and 1-for-1 replacement under URA and Section 104(d) requirements, the MVURA will limit eligible properties to those that are vacant, not suitable for rehabilitation, have not been occupied by tenants within the past 12 months, and which are not used to store personal property of anyone other than the owner.

In order to participate, the owner shall comply with the conditions detailed below:

1. The owner and the MVURA will execute a voluntary demolition agreement, MVURA will provide information on the URA protections, and the agreement will state that the owner will not qualify for relocation assistance.
2. The owner will execute and record a deed restriction establishing the amount of and the requirement to repay expenses incurred in the demolition of the improvements upon sale of the property. The amount will include the costs of hazardous material testing and removal and costs associated with demolishing and disposing of dilapidated structures and any personal property the owner does not wish to keep.
3. The owner will execute and record a deed restriction providing a first Right of Refusal to the MVURA to purchase the property when the owner desires to sell. Once the property becomes available for sale, the MVURA may assign the First Right of Refusal to a participating housing or non-profit agency.
4. If applicable, the owner will execute and record a deed restriction limiting the resale of the vacant land and the initial occupancy of the property to Low-Moderate Income Households. Applicability shall be determined by the MVURA to ensure that program wide, for each set of three properties demolished, two are deed restricted for occupancy to meet DOLA's contractual requirement that 65% of the lots assisted under the Demo Program ultimately result in affordable housing for purchase by such households.

A maximum of 35% of Demo Program properties are not required to be deed restricted for occupancy by Low-Moderate Income Households.

For the remainder of properties, deed restrictions will be placed upon them requiring that they be made available for development of housing for Low-Moderate Income Households. When a deed-restricted Demo Program property goes on the market, MVURA may exercise its First

Right of Refusal or assign the right to a Participating Non-Profit Agency. In either case, the MVURA will work with a Participating Non-Profit Agency to construct a modest home on the site for purchase by a Low-Moderate Income Household, or the MVURA may undertake the construction itself. Following completion of home construction, the MVURA or the Participating Non-Profit Agency shall establish an Affordable Sales Price. Upon closing of the home purchase by a Low-Moderate Income Household, a 5-year deed restriction shall be executed and recorded on the property requiring the following:

1. The purchasing household shall maintain the home as its primary residence for the term of the restriction, and
2. If the purchasing household chooses to sell the property during the term of the restriction, it shall be at an Affordable Sales Price, and the MVURA or Participating Non-Profit Agency shall have the First Right of Refusal to purchase the home to re-sell it to another Low-Moderate Income Household at an Affordable Sales Price. The MVURA or Participating Non-Profit Agency may also assign its First Right of Refusal to another Low-Moderate Income Household.

All deed restriction and program documents will be developed and approved by the MVURA Commission and Participating Non-Profit Agencies. All program reimbursements will require the completion and recording of deed restrictions with evidence provided to DOLA prior to disbursement of grant funding for a given property.

Qualifying Properties

The Service Area

All homes must be located within the corporate limits of the City of Monte Vista.

Housing Types

The following is a list of housing stock that is eligible for rehabilitation through the MVURA:

1. Single Family residential properties
2. Site built single-family homes.
3. Duplexes
4. Town homes
5. Manufactured homes on permanent foundations (or properly tied-down) on land owned by the homeowner.
6. No residences may be occupied by tenants or have been occupied by tenants within the past 12 month period.

Policies & Procedures

THE MVURA IS AN EQUAL OPPORTUNITY PROVIDER. IT DOES NOT DISCRIMINATE AGAINST ANY PERSON IN ITS PRACTICES BECAUSE OF RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

ARR Program Rehabilitation Process & Procedure

Contractor Selection

Once the initial rehab specifications (project components include health, safety, habitability and minor cosmetic issues, consistent with the DOLA Division of Housing Single-Family Housing Rehabilitation Standards) have been completed, the process of securing competitive bids from qualified contractors can begin. The MVURA will be responsible for selecting the contractor. The MVURA will follow federal procurement requirements, including those at 2 CFR 200.318-326, and Section 3 of the HUD Act of 1968. Selection methods shall maximize free and open competition, and require that every attempt is made to ensure that women-, disadvantaged-, and minority-owned businesses and residents benefit from the economic opportunities generated by this program.

Section 3 and MBE/WBE

- The MVURA will identify and maintain a list of local Section 3 businesses and minority and women's business enterprises (MBEs and WBEs), their services, supplies and/or products. This information will be provided within bid packets issued for each project;
- MVURA will also utilize local media, electronic and print, to market and promote contract and business opportunities for Section 3 businesses and residents, MBEs, and WBEs in relation to the program and individual project activities;
- MVURA will provide materials (fact sheets, program guides, etc.) that include contract/subcontract opportunities for Section 3 businesses and residents, MBEs, and WBEs and in each procurement activity highlight those opportunities;
- At the time of initial contracting opportunities and as new phases open, the MVURA will hold opportunity-related meetings open to Section 3 businesses and residents, and minority and women business organizations; and
- MVURA will maintain centralized records with statistical data on the outreach to and hiring of Section 3 businesses and residents, and MBEs and WBEs as contractors/subcontractors in all HUD-assisted program contracting activities.

Construction Contract

Once a contractor has been selected, the MVURA shall enter into a contract for the work to be completed.

Labor, Construction and Procurement Policies

Labor and construction must conform to the specifications and provisions of the Federal Labor and Construction Standards. This ensures compliance with the Copeland Anti-kickback Act, the Contract Work Hours and Safety Standards Act, the Fair Labor Standards Act, Review Process for Water Works and Wastewater Projects, Minimum Wage Standards, Discrimination and Affirmative Action, Colorado Labor Preference Guidelines, and Federal and State procurement standards. The Commission shall also utilize the City of Monte Vista Procurement Policy, with the Commission taking on the role generally assigned to the City Council.

Contractors

The construction contract is between the MVURA and the contractor. The Program Manager and/or the appointed staff person acts as technical assistant and advisor for the Commission in dealing with the contractor during the rehab process. The Program Manager inspector will do project inspections to ensure all work is done according to local building code and program rehab standards (see rehab standards guide). The Rio Grande County Building Inspector shall also conduct inspections of all rehab work drawn under the appropriate building permit. Before and after pictures will be taken on all rehab projects. On small projects it may only require an initial inspection and a final inspection upon completion of the work. Larger projects where the contractor is making payment draws throughout the project will require the inspector to do progress inspections to ensure work being paid for is complete at the draw request.

Lead-based Paint Testing

Homes built prior to 1978 shall be inspected for lead-based paint to comply with The Lead-Based Paint Poisoning Prevention Act--Title IV (42 USC 4831) prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance. In addition, applicants are provided with the informational brochure, Lead-Based Paint, A Threat to Your Children (Revised: January 1993, U.S. Government Printing Office: 1993-351-568) to comply with the notification requirements of the Act. Contractors and remodelers must be certified in lead paint mitigation when working on homes built prior to 1978 and provide Program with certification. If homes are found to need any significant amount of LBP remediation, they may be disqualified from the program. Any home receiving more than \$25,000 in Federal Funds will require full remediation.

Contractor Verifications

Before contractor selection takes place, the Program staff person checks for contractor eligibility at www.sam.gov to verify the contractor is not actively excluded from federal contracts. Contractor must carry a minimum liability insurance of \$500,000 and provide a certificate of insurance to the program. Contractor must provide a copy of his license and proof of Worker's Compensation Insurance when applicable. Each program will make every effort to work with Section 3 and minority and women owned businesses in compliance with MBE/WBE and Section 3 requirements. The MVURA will advertise all biddable project components giving preference to Section 3 residents and businesses, Minority Owned Business Enterprises and Women Owned Business Enterprises. Pre-bid documents will also feature this preference.

Statement of Work & Estimated Costs

Each property must have a minimum of one building code or HQS deficiency to be eligible for rehab. If the property does, a Statement of Work and a preliminary cost estimate is prepared from the designated staff's report. A listing of estimated costs is developed by designated staff.

After HQS repairs are corrected, elective improvements may be done but may not exceed 40% of the project with no more than 20% of the costs being cosmetic. Public sidewalks, driveways, roads, streets, and out buildings are not eligible. A 10% allowance is added as a contingency to cover the unknowns found in remodeling. The initial project cost is then determined by adding the estimated cost with the contingency plus any applicable fees.

Rehabilitation Contract Prior to Work Start

The contractor and the Program staff person execute the Rehabilitation Contract that outlines the responsibilities of each of the parties to the contract. All parties must sign the Agreement. Attached to the Rehabilitation Contract is the Exhibit A - Statement of Work document and the contractor's written bid. The Rehabilitation Contract will clarify such details as work to be done, start date, completion date, verification of liability and workers compensation insurance, liquidated damages, progress payments, final payments, warranties, and building permits. All work must be performed in accordance with Local and State building codes as referenced in the contract.

Progress Payments

Progress payments may be made in accordance with the contract. To initiate a progress payment, the contractor must submit an invoice signed by the Program staff to the Program for approval. After approval is granted, and a periodic inspection made, the invoice is submitted to the Finance department for payment, with 5% retainage withheld from each pay request.

Change orders

Change orders must be in writing and signed by all those who signed the original contract. Change orders must be pre-approved prior to additional work being done.

Final Inspection, Lien Waiver & Payment to Contractor(s)

Final Inspection/Certificate of Completion

At the completion of the contractor's work, the Program staff performs a final inspection of the premises. The contractor and inspector who oversaw the construction are all present at the final walk-thru. The Program staff signing of the Certificate of Completion verifies the MVURA's acceptance of the work. A vote of the Commission shall be required to award final payment.

In the event items are identified on a punch list, those items must be completed/repaired before the Certificate of Completion and Final Inspection are signed off by all parties. When all work is completed to the satisfaction of all parties involved, a Certificate of Completion is

signed by all parties. The final inspection report should not be signed until all are satisfied that the work has been completed as required by contract.

Request for Final Payment & Lien Waiver

The contractor must submit his/her invoice with the Program staff's signature. Once the final inspection has taken place, the Program staff person will prepare a Request for Final Payment and the Finance department will prepare the check. Before the check is released to the contractor, lien waivers must be signed and submitted by all subcontractors and contractors who worked on the project. The Final Payment will include the release of all retainage.

Payment to Contractor(s)

The final check is mailed or presented to the contractor within the normal monthly check payment cycle as specified in their contract.

Grievance Procedure

If an applicant or participant has a grievance concerning the Program (i.e., actions of the Programs staff, contractor staff, procedures of The Program, work progress, work quality, completion, etc.), the grievance must be submitted in writing no later than 30 days following completion and certification of the rehab. A copy of all written correspondence regarding the grievance will be kept in the participant's or applicant's file.

Complaints Concerning Contractors

Complaints dealing with contractors must first be filed, in writing, with the Program Manager, complaints should be addressed to: MVURA Program Manager 95 West First Ave, Monte Vista, CO 81144

The Program Manager will acknowledge receipt of the complaint within 10 working days of receiving the complaint. The Program Manager will investigate the complaint and decide what needs to be done to mitigate the complaint.

The complainant has a right to present any or all information in regards to their position. Working with the contractor, the Program Manager will decide on a plan of action and will notify the contractor, in writing, of this plan of action.

In some cases, it may be necessary to conduct a hearing in order to determine all the facts in the case. In that event, all parties will be asked to attend the appeals hearing to present their case.

Grievances Concerning The Program Staff

In the event that applicants or borrowers have complaints pertaining to actions by the Program staff, they should first make their grievances in writing to the Commission, addressed to the MVURA Commission, 95 W First Ave, Monte Vista, CO 81144. A phone vote on the disposition

to be taken may be performed or a special meeting of the Commission will be called. The Commission will provide its decision in writing.

Defective Materials, Workmanship and/or Equipment

All claims for defective workmanship, materials and/or equipment must be made by the buyer/owner during the warranty period as specified in the Rehabilitation Contract. Such claims should be made to the contractor directly. The Program requires at a minimum all contractors provide a 1 year warranty.

Legal Remedies

All decisions of the Commission are considered final. The findings of the Commission will be conveyed in writing. If the participant is not satisfied with the action of the Commission, the applicant may take whatever legal steps he/she deems necessary and all costs shall be the responsibility of the applicant/participant.

The Program Rights

The Program Manager, staff or Commission members may present evidence and all or any information pertinent to the issues of the Informal Hearing. The Program Manager, staff and board members have the right to examine relevant documents before the Informal Hearing. The Program shall be notified if any party intends to be represented by legal counsel or another party at least 5 days prior to hearing. The Program has the right to have its attorney present and have any staff person or board member familiar with the case present.

Accounting & Record Keeping

General Recordkeeping Guidelines

- All records must be kept for three years after the latest of:
 - The date by which all homes have been sold to Low-Moderate Income Households
 - The date the project has been completed
 - The date by which all issues resulting from litigation, negotiation, audit, or other action have been resolved and final action taken
 - For all real property acquired with HUD funds, the date of final disposition
- Records maintained must be kept confidential. Only authorized staff, HUD, or the State of Colorado shall have access to them. However, upon written request of an affected person, MVURA shall give the person the opportunity to inspect and copy records pertinent to his/her case, except materials which are classified as confidential.

Real Property Acquisition Recordkeeping

- Identification of Project Area: street map showing all parcels to be acquired for the project or the proposed area in which parcels will be identified for acquisition at a later date

- Maintain a list of parcels acquired and to be acquired for the project
- Proof that the house was vacant for one year and a record of personal property must be recorded on: date of initial contact and date of acquisition. A sample form is attached as “Residential Relocation Management Report.”
- For each property acquired and each property for which acquisition was initiated but not completed (voluntary acquisition which was not completed), a separate case file should be created to include the documentation necessary to substantiate the agency’s actions and compliance with URA. See example form “Acquisition Checklist”. **It is important to maintain copies of each of the below items in their respective files.**
 - Voluntary Acquisition Notice or Notice of Interest to Owner (Eminent Domain), URA brochure (Exhibit 2), and evidence of delivery by signature on a receipt (Post Office or other)
 - Certification of Occupancy of the property for the prior 12 month period.
 - Appraisal(s) and review appraisal(s), MVURA Waiver Valuation (if applicable), evidence that owner was offered opportunity to accompany appraiser during property inspection
 - Written establishment of just compensation signed by authorized MVURA official
 - Offer letter(s) and summary statements that outline the basis for the offer of just compensation
 - Records of negotiations with property owner
 - Administrative settlement documentation and support (if applicable)
 - Eminent domain filings, court decisions (if applicable)
 - Closing statements (HUD-1), title documents (preliminary opinion and final opinion), copy of recorded deed indicating book and page, and claim forms
 - Copies of any inspection(s) of personal property at the property

Other Recordkeeping

- Documentation of compliance with the federal procurement requirements at 2 CFR 200.317-200.326
- Site Specific Environmental Clearance
- Documentation that the homes/lots were sold at Affordable Sales Prices
- Documentation of compliance with DOLA program requirements, including, without limitation:
 - Section 3
 - MBE/WBE
 - HQS Inspections
- Before and after photos
- Citizen Participation Plan
- Residential Anti Displacement/Relocation Assistance Plan
- Excessive Force Policy
- Applicant Statement of Assurances and Certifications
- Sam.gov clearance
- HQS Inspections
- Owner/Contractor Agreement

- Certificate of completion
- Lien waivers
- Eligible Immigration Status
- Income verification
- HQS inspections

General Ledger

The Program fund within the MVURA includes a balancing general ledger and financial statements which have been set up specifically for the Program. Each project has a unique number which identifies the source of funds and jurisdiction (where home is located).

Keeping Accounts Separate

Within the fund, the sources (i.e., matching money, Program income, revolving funds, or CDBG funds) and uses are segregated by jurisdiction so that at any time the Commission may review the status of the Program by each jurisdiction.

Reporting to the Commission

The Program Manager prepares a report for presentation at the Commission meetings. The report reflects a snap shot of the current activity and balance in each fund. The Program Manager also presents a full status report on the number of homes rehabilitated and completed and the number remaining to be rehabilitated at the Commission meeting. The Commission can request additional information such as balance sheets, operating statement and/or audits for the Program.

Reporting to the State of Colorado Division of Housing (DOH)

The Commission's Finance department is audited as required by the State of Colorado Division of Housing (DOH). The Program will comply with format and reporting procedures outlined by DOH in its Monitoring Manual.

DOH requires that a Fiscal and Program Report to be filed quarterly when a Contract with DOH is open. That report is completed by the Program Manager and submitted to DOH by the required deadlines provided in the agreement.

Program Income

Program income is defined as all revenues received by the Program which result directly from a DOH subsidized activity. Program Income and expenditures must be reported to the DOH on a quarterly basis during the term of the contract, and biannually thereafter. Program Income includes, but is not limited to:

- Proceeds from the sale of acquired real property
- Interest earned

All Program Income generated by the Program will be used to provide funds that would be available to other properties for demolition/rehabilitation. All funds are subject to DOH guidelines and regulations. (See DOH Program guidelines for full details.)

Audit by an Independent Auditing Firm

The Program books are audited during the City of Monte Vista's annual audit. That audit is performed by an independent auditing firm. A copy will be sent annually to the Colorado Division of Housing.

Audit by the State of Colorado Division of Housing (DOH)

DOH conducts a comprehensive on-site audit of the Program books and records prior to acceptance of the Project Completion Report (*HOME/CDBG* project close-out Report). In some cases, DOH may choose to conduct additional reviews in certain performance and compliance areas more than once during the course of the project.

EXHIBIT 1 – SAMPLE VOLUNTARY ACQUISITION NOTICE

GUIDEFORM

- **VOLUNTARY ACQUISITION** –
- Informational Notice -
(Agencies With Eminent Domain Authority)

Grantee or Agency Letterhead

(date)

Dear _____:

(City, County, State, other) _____, is interested in acquiring property you own at (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the _____ program.

We are prepared to offer you (\$) _____ to purchase your property. We believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

Please be advised that the Monte Vista Urban Renewal Authority possesses eminent domain authority to acquire property, however, we will not pursue your property acquisition under eminent domain.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____, (address) _____, (phone) _____.

Sincerely,

(name and title) _____

EXHIBIT 1 – SAMPLE VOLUNTARY ACQUISITION NOTICE

NOTES.

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery.
2. Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2(a)(15)(iv) – Initiations of negotiations, and 49 CFR 24 Appendix A - 24.2(a)(15)(iv).
3. This guideform may only be used if all of the requirements of 49 CFR 24.101(b)(1)(i)-(iv) are met.
4. This is a guideform. It should be revised to reflect the circumstances.

EXHIBIT 2 – SAMPLE INVOLUNTARY ACQUISITION NOTICE OF INTEREST

GUIDEFORM NOTICE TO OWNER
- **INVOLUNTARY ACQUISITION** -
(Threat/Use Of Eminent Domain)

Grantee or Agency Letterhead

(date)

Dear _____:

(City, County, State, Tribe, other) _____, is interested in acquiring property you own at (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the _____ program.

The purpose of this notice is to inform you of your rights under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). Enclosed is a HUD brochure entitled "When A Public Agency Acquires Your Property". This brochure provides useful information about the public acquisition of real property (real estate) under the URA. At this stage, your property is only under consideration for acquisition. This notice is not a contractual offer or commitment to purchase your property.

If your property is selected for acquisition, under the URA, you will have the right to receive just compensation for your property. In order to determine the amount of just compensation to be offered to you, an appraisal of your property would be required. In such a case, an appraiser will contact you to provide you an opportunity to accompany him or her on the inspection of your property. It would be in your best interest to accompany the appraiser during the property inspection so that you can point out any unique features of your property which should be considered in the valuation process and so that you can also answer any questions the appraiser may have.

For your information, (City, County, State, Tribe, other) _____ possesses eminent domain authority to acquire the property needed for this project, however, our goal is to attempt to negotiate amicable agreements for all property acquisitions prior to its use. If negotiations fail, acquisition under eminent domain may be considered.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____,
(address) _____, (phone) _____.

Sincerely,

(name and title) _____

Enclosure

EXHIBIT 2 – SAMPLE INVOLUNTARY ACQUISITION NOTICE OF INTEREST

NOTES.

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery.
2. This is a guideform. It should be revised to reflect the circumstances.
2. A notice to owner is merely an Agency's notice informing the owner of the agency's interest in acquiring the property; it is not a commitment and does not establish relocation eligibility. Whereas a notice of intent to acquire is an Agency's written notice provided to a person to be displaced; it is a commitment and clearly establishes relocation eligibility in advance of the normal acquisition and relocation process. A notice to owner is required under 49 CFR 24.102(b) for acquisitions subject to 49 CFR part 24, subpart B.

EXHIBIT 2 – SAMPLE INVOLUNTARY ACQUISITION NOTICE OF INTEREST

WHEN A PUBLIC AGENCY ACQUIRES YOUR PROPERTY

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

www.hud.gov/relocation

Introduction

This booklet describes important features of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended (URA) and provides general information about public acquisition of real property (real estate) that should be useful to you.

Most acquisitions of real property by a public agency for a Federal project or a project in which Federal funds are used are covered by the URA. If you are notified that your property will be acquired for such a project, it is important that you learn your rights under this important law.

This booklet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you sell your property. Afterwards, it may be too late.

General Questions

What Right Has Any Public Agency To Acquire My Property?

The Federal Government and every State government have certain powers which are necessary for them to operate effectively. For example, they have the power to levy taxes and the power to maintain order. Another government power is the power to acquire private property for public purposes. This is known as the power of eminent domain.

The rights of each of us are protected, however, by the Fifth and Fourteenth Amendments of the U.S. Constitution and by State constitutions and eminent domain laws which guarantee that if a public agency takes private property it must pay "just compensation" to the owner. The URA provides additional protections, as explained in this booklet.

Who Made The Decision To Buy My Property?

The decision to acquire a property for a public project usually involves many persons and many determinations. The final determination to proceed with the project is made only after a thorough review which may include public hearings to obtain the views of interested citizens.

If you have any questions about the project or the selection of your property for acquisition, you should ask a representative of the Agency which is responsible for the project.

How Will The Agency Determine How Much To Offer Me For My Property?

Before making you an offer, the Agency will obtain at least one appraisal of your property by a competent real property appraiser who is familiar with local property values. The appraiser will inspect your property and prepare a report that includes his or her professional opinion of its

EXHIBIT 2 – SAMPLE INVOLUNTARY ACQUISITION NOTICE OF INTEREST

current fair market value. After the appraiser has completed his work, a review appraiser will examine the appraisal report to assure that the estimate is fair and the work conforms with professional appraisal standards.

The Agency must offer you "just compensation" for your property. This amount cannot be less than the appraised fair market value of the property. "Just compensation" for your property does not take into account your relocation needs. If you are eligible for relocation assistance, it will be additional.

What Is Fair Market Value?

Fair market value is sometimes defined as that amount of money which would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy. In some areas a different term or definition may be used.

The fair market value of a property is generally considered to be "just compensation." Fair market value does not take into account intangible elements such as sentimental value, good will, business profits, or any special value that your property may have for you or for the Agency.

How Does An Appraiser Determine The Fair Market Value Of My Property?

Each parcel of real property is different and therefore no single formula can be devised to appraise all properties. Among the factors an appraiser typically considers in estimating the value of real property are:

- How it compares with similar properties in the area that have been sold recently.
- How much rental income it could produce.
- How much it would cost to reproduce the buildings and other structures, less any depreciation.

Will I Have A Chance To Talk To The Appraiser?

Yes. You will be contacted and given the opportunity to accompany the appraiser on his or her inspection of your property. You may then inform the appraiser of any special features which you believe may add to the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to insure that nothing of allowable value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property represent you.

How Soon Will I Receive A Written Purchase Offer?

Generally, this will depend on the amount of work required to appraise your property. In the case of a typical single-family house, it is usually possible to make a written purchase offer within 45 to 60 days of the date an appraiser is selected to appraise the property.

Promptly after the appraisal has been reviewed (and any necessary corrections obtained), the Agency will determine just compensation and give you a written purchase offer in that amount along with a "summary statement," explaining the basis for the offer. No negotiations are to take place before you receive the written purchase offer and summary statement.

EXHIBIT 2 – SAMPLE INVOLUNTARY ACQUISITION NOTICE OF INTEREST

What Is In The Summary Statement Of The Basis For The Offer Of Just Compensation?

The summary statement of the basis for the offer of just compensation will include:

- An accurate description of the property and the interest in the property to be acquired.
- A statement of the amount offered as just compensation. (If only part of the property is to be acquired, the compensation for the part to be acquired and the compensation for damages, if any, to the remaining part will be separately stated.)
- A list of the buildings and other improvements covered by the offer. (If there is a separately held interest in the property not owned by you and not covered by the offer (e.g., a tenant-owned improvement), it will be so identified.)

Must I Accept The Agency's Offer?

No. You are entitled to present your evidence as to the amount you believe is the fair market value of your property and to make suggestions for changing the terms and conditions of the offer. The Agency will consider your evidence and suggestions. When fully justified by the available evidence of value, the offer price will be increased.

May Someone Represent Me During Negotiations?

Yes. If you would like an attorney or anyone else to represent you during negotiations, please inform the Agency. However, the URA does not require the Agency to pay the costs of such representation.

If I Reach Agreement With The Agency, How Soon Will I Be Paid?

If you reach a satisfactory agreement to sell your property and your ownership (title to the property) is clear, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after you sign a purchase contract. If the title evidence obtained by the Agency indicates that further action is necessary to show that your ownership is clear, you may be able to hasten the payment by helping the Agency obtain the necessary proof. (Title evidence is basically a legal record of the ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens, and other instruments affecting your ownership of the property.)

What Happens If I Don't Agree To The Agency's Purchase Offer?

If you are unable to reach an agreement through negotiations, the Agency may file a suit in court to acquire your property through an eminent domain proceeding. Eminent domain proceedings are often called condemnations. If your property is to be acquired by condemnation, the Agency will file the condemnation suit without unreasonable delay.

An Agency may also decide not to buy your property, if it cannot reach agreement on a price, and find another property to buy instead.

EXHIBIT 2 – SAMPLE INVOLUNTARY ACQUISITION NOTICE OF INTEREST

What Happens After The Agency Condemns My Property?

You will be notified of the action. Condemnation procedures vary, and the Agency will explain the procedures which apply in your case.

Generally, when an Agency files a condemnation suit, it must deposit with the court (or in an escrow account) an amount not less than its appraisal of the fair market value of the property. You should be able to withdraw this amount, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.

During the condemnation proceeding, you will be provided an opportunity to introduce your evidence as to the value of your property. Of course, the Agency will have the same right. After hearing the evidence of all parties, the court will determine the amount of just compensation. If that amount exceeds the amount deposited by the Agency, you will be paid the difference, plus any interest that may be provided by law.

To help you in presenting your case in a condemnation proceeding, you may wish to employ an attorney and an appraiser. However, in most cases the costs of these professional services and other costs which an owner incurs in presenting his or her case to the court must be paid by the owner.

What Can I Do If I Am Not Satisfied With The Court's Determination?

If you are not satisfied with the court judgment, you may file an appeal with the appropriate appellate court for the area in which your property is located. If you are considering an appeal, you should check on the applicable time limit for filing the appeal and consult with your attorney on whether you have a basis for the appeal. The Agency may also file an appeal if it believes the amount of the judgment is too high.

Will I Have To Pay Any Closing Costs?

You will be responsible for the payment of the balance on any mortgage and other liens on your property. Also, if your ownership is not clear, you may have to pay the cost of clearing it. But the Agency is responsible for all reasonable and necessary costs for:

- Typical legal and other services required to complete the sale, recording fees, revenue stamps, transfer taxes and any similar expenses which are incidental to transferring ownership to the Agency.
- Penalty costs and other charges related to prepayment of any recorded mortgage on the property that was entered into in good faith.
- Real property taxes covering the period beginning on the date the Agency acquires your property.

Whenever possible, the Agency will make arrangements to pay these costs directly. If you must incur any of these expenses yourself, you will be repaid--usually at the time of closing. If you later discover other costs for which you should be repaid, you should request repayment from the Agency immediately. The Agency will assist you in filing a claim. Finally, if you believe that you were not properly repaid, you may appeal the decision to the Agency.

EXHIBIT 2 – SAMPLE INVOLUNTARY ACQUISITION NOTICE OF INTEREST

May I Keep Any Of The Buildings Or Other Improvements On My Property?

Very often, many or all of the improvements on the property are not required by the Agency. This might include such items as a fireplace mantel, your favorite shrubbery, or even an entire house. If you wish to keep any improvements, please let the Agency know as soon as possible.

If you do arrange to keep any improvement, the Agency will deduct only its salvage value from the purchase price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his or her own expense.) Of course, if you arrange to keep any real property improvement, you will not be eligible to receive a relocation payment for the cost of moving it to a new location.

Can The Agency Take Only A Part Of My Property?

Yes. But if the purchase of only a part of your property reduces the value of the remaining part(s), you will be paid for the loss in value. Also, if any remaining part would have little or no utility or value to you, the Agency will offer to buy that remaining part from you.

Occasionally, a public project will increase the value of the part which is not acquired by the Agency. Under some eminent domain laws, the amount of such increase in value is deducted from the purchase payment the owner would otherwise receive.

Will I Have To Pay Rent To The Agency After My Property Is Acquired?

If you remain on the property after the acquisition, you may be required to pay a fair rent to the Agency. Such rent will not exceed that charged for the use of comparable properties in the area.

How Soon Must I Move?

If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for your property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at least 90 days advance written notice.

If you reach a voluntary agreement to sell your property, you will not be required to move before you receive the agreed purchase price. If the property is acquired by condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

If you are being displaced from your home, you will not be required to move before a comparable replacement home is available to you.

Will I Receive Relocation Assistance?

Title II of the URA requires that certain relocation payments and other assistance must be provided to families, individuals, businesses, farms, and nonprofit organizations when they are displaced or their personal property must be moved as a result of a project that is covered by the URA.

The Agency will furnish you a full explanation of any relocation assistance to which you may be entitled. If you have any questions about such assistance, please contact the Agency. In order

EXHIBIT 2 – SAMPLE INVOLUNTARY ACQUISITION NOTICE OF INTEREST

for the Agency to fulfill its relocation obligations to you, you must keep the Agency informed of your plans.

My Property Is Worth More Now. Must I Pay Capital Gains Tax On The Increase?

Internal Revenue Service (IRS) Publication 544 explains how the Federal income tax would apply to a gain or loss resulting from the sale or condemnation of real property, or its sale under the threat of condemnation, for public purposes. If you have any questions about the IRS rules, you should discuss your particular circumstances with your personal tax advisor or your local IRS office.

I'm A Veteran. How About My VA Loan?

After your VA home mortgage loan has been repaid, you will be permitted to obtain another VA loan to purchase another property. Check on such arrangements with your nearest Veterans Administration Office.

Is It Possible To Donate Property?

Yes. You may donate your property or sell it to the Agency for less than its fair market value. The Agency must obtain an appraisal of the property and offer just compensation for it, unless you release the Agency from these obligations.

Additional Information

If you have any questions after reading this booklet, contact the Agency and discuss your concerns with the Agency representative.

Agency:

Address:

Office Hours:

Telephone Number:

Person to Contact: