

CITY OF TEXAS CITY
WAIVER VALUATION POLICY FOR GRANT RELATED INVOLUNTARY ACQUISITIONS

For General Land Office (GLO) grants that require involuntary acquisitions of property, the City of Texas City will follow the GLO CDBG Implementation Manual Chapter 8 Acquisition & Relocation steps, as well as the HUD guidance for acquisition regarding waiver valuations.

The GLO CDBG Implementation Manual, Chapter 8 Acquisition & Relocation, 8.7 Involuntary Acquisition Process, Step 4, Determine Appraised Value of the Property, provides as follows:

An appraisal of fair market value is required for property acquired under involuntary procedures unless the following (see 49 CFR 24.102(c)(2)):

- If the property valuation is simple and the anticipated value of the proposed acquisition is \$10,000 or less, no formal appraisal is required. The Subrecipient must prepare a waiver valuation and have a reasonable basis for the waiver valuation.
- If the owner is donating the property and releases the acquiring/condemning authority from its obligation to appraise the property, no formal appraisal is required, 49 CFR § 24.102(c)(2);
- If the value of the property exceeds \$10,000, but is less than \$25,000, GLO CDR will consider written requests for waiver of appraisal.

The process of estimating value when an appraisal is determined to be unnecessary is considered a “waiver valuation.”

The Code of Federal Regulations (CFR) provides guidelines for basic acquisition policies in §24.102, which reads in part as follows:

(c) Appraisal, waiver thereof, and invitation to owner.

(1) Before the initiation of negotiations, the real property to be acquired shall be appraised, except as provided in §24.102 (c)(2), and the owner, or the owner's designated representative, shall be given an opportunity to accompany the appraiser during the appraiser's inspection of the property.

(2) An appraisal is not required if:

(i) The owner is donating the property and releases the Agency from its obligation to appraise the property; or

(ii) The Agency determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the anticipated value of the proposed acquisition is estimated at \$10,000 or less, based on a review of available data.

(A) When an appraisal is determined to be unnecessary, the Agency shall prepare a waiver valuation.

(B) The person performing the waiver valuation must have sufficient understanding of the local real estate market to be qualified to make the waiver valuation.

In accordance with the 49 CFR 24.102, the City of Texas City hereby adopts the following policy with respect to Waiver Valuations:

When the City determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the anticipated value of the proposed acquisition is estimated at \$10,000 or less, based on a review of available data, the City can prepare a Waiver Valuation. The City will utilize current tax year valuations as determined by the Galveston Central Appraisal District to prepare Waiver Valuations. The City will utilize said Waiver Valuations to make initial offers to property owners for involuntary acquisitions on grant projects where the estimated value of the acquisition is \$10,000 or less. If the property owner rejects or counter-offers the initial offer, the City can enter negotiations to obtain the necessary property acquisition. The City will follow all HUD guidelines for involuntary acquisitions when using waiver valuations

PASSED, APPROVED, and ADOPTED this _____ day of April, 2024.

Mayor

ATTEST:

City Secretary

(SEAL)