



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Sustainable Housing and Communities
WASHINGTON, DC 20410-0050

Program Policy Guidance OSHC-2011-08
Date: August 23, 2011
Subject: Real Property Acquisition Requirements
Status: Current
Applicability: All OSHC Regional Planning and Community Challenge Grantees
Related Guidance: PPG 2011-05 Documentation to Submit for Environmental Clearance
Comments:

Dear Sustainable Communities Regional or Community Challenge Grantee:

The Office of Sustainable Housing and Communities will require certain information in order to approve real property for acquisition using HUD grant or leveraged funds by a Sustainable Communities Regional Planning or Community Challenge grantee. A grantee may not sign a contract offering to purchase any real property until the property has been approved by the GTR unless the final sales contract is contingent on such approval. The information required includes:

1. Basic information about the property, including the address, the offer price, what portion of the price will be paid with HUD funds and leveraged funds;
2. A description of the property and the current and planned use of the property;
3. A certified appraisal of the property by a state-certified appraiser;
4. A draft of the deed restriction that will be placed on the property to ensure it will be used for the planned use, including the number of years the deed restriction will remain in place; and
5. A detailed explanation of how the purchase will advance the Livability Principles and the intent of your Regional Plan for Sustainable Development or the plan developed with your Community Challenge grant.

The Office of Sustainable Housing and Communities will only approve a property for purchase if the following conditions are met:

1. The property must be within the planning area.
2. The location of the property and its intended use must advance the Livability Principles and the plan developed under the Sustainable Communities grant.
3. The purchase price must be no more than the market price, demonstrated through a certified appraisal of the property by a state-certified appraiser.
4. A deed restriction is recorded on the property to ensure it will be used for the planned use.

In addition, the grantee must provide all the information requested in and conditions detailed in Program Policy Guidance Number 2011-05, Documentation to Submit for Environmental Clearance Before Purchasing Real Property with Grant or Leverage Funds.

Please note: In certain situations, a GTR will require additional information or additional restrictions on the property before approval.

If the property is later sold for development, the following guidelines apply:

1. The deed restriction recorded on the property must remain on the property.
2. The sale price must be no more than the purchase price when the grantee purchased the property. However, grantees are not required to recoup the entire purchase price. Any income from the sale should go toward activities that further the purpose of the planning grant in the project area.