

Real Property Disposition Policy

U.S. Department of Housing and Urban Development Funds



The City of San Antonio has provided U.S. Department of Housing and Urban Development Funds such as CDBG, HOME, ESG, HOPWA, NSP, CDBG-R, and UDAG funds to numerous City Owned and Sub-Recipient Owned real property for the purpose of furthering community development efforts. The purpose of this document is to provide direction to City departments and external sub-recipients regarding disposition of property acquired or improved with HUD funding.

Please note that all dispositions are subject to Environmental Review in accordance with 24 CFR Part 58. No disposition action may occur until a review has been conducted and approved by the City's NEPA Certifying Officer. Refer to the City's NEPA Environmental Review Policy document for more information.

Real property is defined as land, including any improvements to and structures located on the land, but excluding any movable machinery or equipment.

City Owned Real Property (24 CFR 570.505)

The City may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, **and** either:

1. If the City plans on disposing of real property acquired or improved in whole or in part with CDBG funds and does not change the use or planned use of the property (including the beneficiaries of such use), it may do so in accordance with the City's normal disposition procedures. Proceeds from the sale of the property must be treated as CDBG Program Income for use on other eligible CDBG activities.
2. For real property acquired or improved in whole or in part with CDBG funds with \$25,000 or less, the City may do so in accordance with the City's normal disposition procedures and CHAPTER 253 of the Texas Local Government Code. Proceeds from the sale of the property must be treated as CDBG Program Income for use on other eligible CDBG activities.
3. For real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000, the City cannot change the use or planned use of the property (including the beneficiaries of such use) without first providing affected citizens notice and opportunity to comment, and determining that either:
 - a) The contemplated new use meets one of the National Objectives and is not a building for the general conduct of government.
 - b) The contemplated new use is deemed appropriate (after consultation with affected citizens) but will not meet a National Objective. In this latter case, the City must

reimburse the CDBG program in the amount of the current fair market value of the property, less the value attributable to the non-CDBG portion of the acquisition or improvements

The amount of proceeds subject to program income shall be calculated on a % of the amount of CDBG funds utilized compared with the total cost to acquire or improve the real property. If only CDBG funds were used to acquire or improve the property or the amount of the total cost cannot be determined, the entire amount of sales proceeds less reasonable closing costs will be considered CDBG Program Income.

Sub-recipient Owned Real Property

The sub-recipient agreement must be explicit about the use of any real property under the sub-recipient's control that was acquired or improved in whole or in part with CDBG funds in excess of \$25,000. For such instances, 24 CFR 570.503(b)(7) mandates that such real property either:

1. Must be used by the sub-recipient to continue to meet one of the CDBG program's National Objectives for at least 5 years after the expiration of the sub-recipient agreement (or a longer time as specified by sub-recipient agreement); or
2. If a National Objective is not met during this time period, the City must be reimbursed for the current fair market value, less any portion of the value attributable to non-CDBG funds.

| Disposition Checklist | |
|---|-----------------------|
| Originating Department | |
| Date of Request | |
| Property Address | |
| Property Legal Description | |
| Date of Initial Acquisition or Improvement | |
| Date of Project Completion | |
| Amount of CDBG Funds used to acquire or improve property (Attach Ordinances/Legal Documents) | \$ |
| List all Non CDBG Investments contributing to Value of Property | |
| Appraised Value (Attach Appraisal) | |
| Sales Proceeds (Estimated) | |
| Projected Council Date | |
| Disposition Closing Date | |
| Original Use of Property (Attach Documentation) | |
| Future Use of Property (Attach Bid and/or Proposal) | |
| For GMA Use Only | |
| Notes: | |
| Environmental Review Level | Level: Consultant: |
| Program Income Account # | |
| Staff Reviewer (Print Name) | |
| Date | |