

COMMONWEALTH OF PENNSYLVANIA
Department of Conservation and Natural Resources
Revised: 9/22/09 8:00 A.M.

Bureau of Recreation and Conservation (BRC)
Administrative Policy/Grant Guidelines

SUBJECT: BRC Policy on Acquisition Grants; Property Appraisals, Title Work Requirements, and Survey

EFFECTIVE DATE: 10/5/09

BACKGROUND: The following is to provide guidance on requirements for appraisals, title work and surveys for acquisition grants.

POLICY:

Eligible land acquisition costs will be determined by DCNR on the basis of appraisals prepared by state certified general real estate appraisers. Grants may be in an amount of up to 50% of the approved fair market value estimate for a property or easement, or the actual purchase price, whichever is less. DCNR may choose to provide partial funding for an acquisition project based on limited or partial public access to a property. DCNR may provide funding for easements only when they are for the entire property of interest and DCNR's funding contribution is based on 50% of the high protection area designated (PALTA easement model).

Related acquisition project expenses for items, such as appraisals, environmental assessment, boundary survey, title search, title insurance, settlement costs and Bureau required signage, may be included as part of the project cost and are eligible for up to 50% reimbursement.

If land (or an easement) will be purchased by a grant applicant at a price that is less than the appraised value of the land (for example, in a bargain sale), the difference between the appraised value and the purchase price may be considered a donation to the applicant (DCNR's grantee). The value of this donation ("land donation value") may be used by the applicant as a one-time non-cash match for the acquisition grant which can be for up to but not more than 50% of the appraised fair market value which is clearly identified in the grant application. Any donated value approved can only be applied to that grant. Any excess value cannot be carried over to another project. For acquisition projects, this type of match is the only form of non-cash match that is permitted by the Bureau. The appraised value of donated land can also be used as non-cash match on development projects. Grantee should not take title to the land until the grant being applied for is approved. The noncash value of the land can only be used as match if the grantee accepts title to the property within the grant contract period. In either case, grants that include donated land value must be supported with appropriate documentation (for

example, IRS Form 8283) that demonstrates the value and the fact that the land/easement value was actually donated.

Appraisals, Boundary Survey and Title Search/Certification Requirements:

All acquisition projects funded by the bureau of Recreation and Conservation are required to have a boundary survey, 2 appraisals, and a title search/certification of title. The DCNR project manager will review the appraisal report(s), title work and boundary survey for determination of an approved fair market value. Appraisals need to be current - generally speaking no more than 6 months to one year old.

One appraisal must be submitted at the time of application. If a grant is awarded, a second appraisal is normally required. All appraisals must be done by a State **Certified General Real Estate Appraiser** and should be presented as **Self-Contained Appraisal Reports** (including site photos) in accordance with the most current edition of the **Uniform Standards of Professional Appraisal Practice**. The standards can be found through a number of sources including: <http://www.vanderwerffandassociates.com/USPAP.pdf>. In limited circumstances, the requirement for a second appraisal may be waived. For example, when the market value stated in the first appraisal will exceed the value of the grant and the first appraisal is current and meets DCNR standards, then the second appraisal requirement may be waived.

Appraisals need to clearly indicate the spectrum of interests/rights being appraised. The inclusion or exclusion of rights appraised including but not limited to surface, mineral (coal and hard mineral), oil, and gas, wind, timber, etc. needs to be clearly disclosed. To ensure that the appraisal reflects the value of the rights being acquired a title search should be done prior to or as part of the appraisal process. A title search and title certification is required prior to project completion and closeout. Applicants are strongly encouraged to complete this prior to the appraisal being ordered and conducted.

Appraisals done by Certified Residential Appraisers or Broker Appraisers will normally not be accepted by the Bureau. Also, appraisals submitted without the information, analysis and documentation required for a Self-Contained Appraisal Report will not be acceptable (i.e. current deed, zoning ordinance, etc.).

Grants issued using federal funding under the Land and Water Conservation Fund program require a "complete narrative report" done by a State Certified General Real Estate Appraiser in accordance with the Uniform Appraisal Standards for Federal Land Acquisition. The appraiser should certify in writing that each appraisal complies with Uniform Appraisal Standard for Federal Land Acquisition. The standards can be found through a number of sources including: <http://www.usdoj.gov/enrd/land-ack/yb2001.pdf>

This policy remains in effect until revised or rescinded.