50 Ways to Lose Your Money

Dave Leighow
Realty Specialist
FHWA-HQ-Salem, OR
Money Talks!
Be sure you have the right answers

Federal funds are not always easy to get

Once you’ve got them, you don’t want to lose them
Following are 50 great ways to lose your federal funds!
Acquisition

1. Don’t give the property owner an opportunity to accompany appraiser
2. Don’t offer fair market value based on an appraisal
3. Don’t give property owner written offer
4. Don’t give property owner reasonable opportunity to consider offer
5. Don’t offer to purchase uneconomic remnant from property owner
Acquisition continued

6. Don’t reimburse property owner for incidental expenses (closing costs, etc.)

7. Don’t offer to acquire buildings, structures, other improvements

8. Coerce property owner into signing

9. Allow the same person to appraise/negotiate over $10,000

10. Don’t negotiate in good faith with the property owner
Relocation Assistance

11. Don’t give displacees **90-day assurance**
12. Don’t offer **advisory services**
13. Don’t explain **relocation eligibility**
14. Don’t explain **relocation entitlements**
15. Don’t offer **comparable replacement housing**
16. Don’t reimburse displacees for all eligible **moving expenses**
17. Don’t pay eligible RHPs

18. Don’t provide inventories or monitor non-residential moves

19. Don’t document “actual, reasonable” costs

20. Don’t pay mortgage interest differential

21. Don’t pay closing costs on replacement dwelling

22. Don’t do DSS inspection of replacement dwelling
23. Don’t allow tenant displacee to choose the down payment supplement option
24. Don’t provide justification for last resort housing
25. Don’t explain move options to non-residential displacees (actual direct loss, in lieu of, substitute personal property, etc.)
Property Management

26. Charge more than **fair market rent** on a lease-back

27. Fail to account for use of proceeds from sale and lease on **other Title 23 projects**

28. **Dispose or lease ROW along the Interstate** without FHWA approval

29. Fail to keep ROW free of unapproved uses (encroachments)
General Issues

30. Fail to obtain approval from FHWA for change in access control along the Interstate

31. Fail to assure that local agencies follow approved procedures

32. Fail to evaluate the environmental effects of disposal and leasing actions

33. Fail to assure that an airspace lease is in the public interest & meets safety

34. Inadequate documentation (the “Almost Golden” rule)
The “Almost Golden” Rule

“If it ain’t documented, it didn’t happen!”
You’ll Lose $$$ IF ..... 

35.—40. You fail to comply with the Uniform Relocation Act
You’ll Lose $$$ IF …..

41.—45. You fail to comply with 49 CFR Part 24
You’ll Lose $$$ IF …..

46.—50. You fail to comply with your approved (by FHWA) R/W Manual
The 51st Way!

Cut corners to save money

• How many times have you heard an engineer or project manager ask: “Do we really have to do that—it costs too much and takes too much time?”

• If you don’t have money to do it right, you don’t have money to do it at all!
The 52nd Way!

Acquire ROW in advance of NEPA clearance, but don’t follow the Uniform Act:

- Early acquisition is a streamlining opportunity
- Early acquisition is a risk management decision
What’s It All About?

- The historic purpose underlying the Uniform Relocation Act (URA)* is:
  - **For acquisition:** Treat owners fairly and consistently, encourage acquisition by agreement, minimize litigation, and promote confidence.
  - **For displaced persons:** Treat individuals fairly, equitably, consistently, and do not cause disproportionate injury.
  - **For agencies:** Act efficiently and in a cost-effective manner.

*Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended
QUESTIONS??

- Dave Leighow, FHWA
- Office of Real Estate Services
- david.leighow@dot.gov
- www.fhwa.dot.gov/realestate

(Local agency in California, please contact your local Caltrans Right of Way for any further questions office at:
http://www.dot.ca.gov/hq/row/localprog/index.htm)