



Hillcrest / Washington – Coles Voluntary Real Estate Acquisition & Relocation Program

Acquisition Process and Options

Thurman Black, Acquisition Manager

Jimmy Welder, Attorney for POCCA



PORT CORPUS CHRISTI



Acquisition Process

❖ Title

❖ Appraisal

❖ Appraisal Review

❖ Offer Process

❖ Closing

❖ Homeowner Eligibility

❖ Acquisition Options

- Fair Market Value (FAR) Purchase
- Life Estate
- Restrictive Covenant

Title

Definition: a right or claim to the ownership of property

- Secure title commitment to ensure clear title
- Coordinate with Title Company to clear any title encumbrances prior to closing on any parcel

GF#: 70
ROW CSJ:
SH 99 (GRAND PARKWAY F-2)
E OF SH 249 TO E OF IH 45
218

**TEXAS
COMMITMENT FOR TITLE INSURANCE (T-7)
ISSUED BY
WFG NATIONAL TITLE INSURANCE COMPANY**

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS

Appraisal

Definition: the act of judging the value, and condition

- TxDot Appraisal vs Tax Appraisal
 - Hands on individual appraisal vs. mass appraisal by computer based formula
- How will we handle the process?

Appraisal Review

- Third Party review of the appraisal report
 - Validates the facts associated with the value given
- Provides comments to improve accuracy
- Approve appraisal

Offer process

- Review each appraisal report approved by TxDot
- Analyze title commitment
- Prepare offer package
 - Offer of just compensation
 - Appraisal
- Present offer in person
- Provide a copy of the appraisal report to the property owner
- Respond to property owner inquiries

Closing

- Landowner attend closing at Title company
- All cost associated with closing will be covered by the Port

Homeowner Eligibility

- If you owned your home and were living there on January 1, 2016, and continue to live there, you are eligible for four options.
- If you owned your home on January 1, 2016, but could not live there in 2016 because of military service, legal reasons, work related reasons, or other necessary reasons, you will be eligible for the four options.
- You will be treated as the owner of your home if you own it outright, have a contract for deed to buy your home, own a life estate in your home, or have a long-term lease (at least 50 years) on your home.

Acquisition Options

There are 4 options under the acquisition program

1. Do Nothing
2. Fair Market Value (FMV) Purchase
3. Life Estate
4. Restrictive Covenant

Do Nothing

- This is a voluntary program and you do not have to move or accept any offer for your property
- You have the ability to wait until the last day of the 3 year period before making any decision

Fair Market Value (FMV) Purchase

- POCCA will acquire property based on eligibility and approved value
- Once POCCA and owner agrees to offer, Escrow will be open
- POCCA will not close escrow until property is vacant

LIFE ESTATE OPTION 1 of 2

- Homeowners sell a remainder interest in their home to the Port Authority, meaning the homeowners will own their home until they die.
- The value of the remainder interest is based on the appraised value of the property, the age of the homeowners, and the monthly Interest Rate published by the IRS (which is 1.8% today)

LIFE ESTATE OPTION 2 of 2

- Example One -- appraised value of home is \$100,000. One owner age 65. The value of the remainder interest would be \$73,735.
- Example Two -- appraised value of home is \$100,000. Two owners age 65 and 60. The value of the remainder interest would be \$64,394.
- No relocation assistance will be provided to homeowners selecting this option.

RESTRICTIVE COVENANT OPTION

Homeowners sell a “restrictive covenant” and “purchase option” on their home to the Port Authority for not less than \$7,500.

- Homeowners choosing this option may continue to reside in their home as long as they like, but the home cannot be used for residential purposes by anyone else.
- In addition, the Port Authority will have an option to buy the property if the homeowners elect to sell it or when the last surviving homeowner dies. If the Port Authority exercises its option to purchase the property (which it is not required to do), the purchase price will be the appraised value of the property at the time the option is exercised.
- No relocation assistance will be provided to homeowners selecting this option.

Notice to all Residential Displacees and Property Owners

**Do Not Execute a purchase and sales contract
or a lease agreement until a representative
from DRA has inspected and certified in writing
that the dwelling you propose to purchase or
rent meets the DSS housing standards**

For More Information

CALL: 361-232-5083

Or visit our office at

2301 N. Port Ave

Mon – Fri 9am – 6pm

Saturday 10am – 2pm