

GRANT FUNDED ACQUISITION PROJECTS

Acquisition Rules

1. Purchase price cannot exceed the appraised value (fair market value), even if the grantee is willing to pay the difference.
2. Land cannot be acquired through eminent domain or condemnation. Specified projects are exempt from this rule.
3. Associated acquisition costs, such as appraisals, escrow fees, title insurance, etc., combined must be less than 25% of grant project costs. Specified and Land and Water Conservation Fund projects are exempt from this rule.
4. A deed restriction must be recorded on the property once the acquisition is complete. The Project Officer will generate and send the deed restriction to the grantee prior to the acquisition. See [Deed Restriction Instructions](#). Deed restrictions may be recorded in escrow. Specified projects are exempt from this rule.
5. Land must be open to the public for recreational purposes within three years from the date the final payment is issued by the State Controller's Office (SCO). Specified projects are exempt from this rule.
6. The grantee must provide Title Insurance.

Acquisition Documentation

For each parcel to be acquired, submit the following items. If these items are part of the appraisal, reference the page number where they can be found.

1. An appraisal conducted within the last twelve months.
2. A separate letter from an independent third-party appraiser certifying the appraisal was reviewed and was completed using acceptable methods. See [Appraisal and Appraisal Reviews for Acquisitions](#) for detailed instructions.
3. County Assessor's parcel map, showing parcel number and parcel to be acquired.
4. Estimated value of each parcel to be acquired with a description of how that value was determined (such as the listed price on MLS, in-house estimation, website evaluation, assessed value).
5. Acreage of each parcel to be acquired.

6. A description of any encumbrances that will remain on the property, such as grazing, timber, mineral rights or easements.
7. A brief description of the intended recreational use of the land with the estimated date by which the site will be open to the public for recreational purposes.

For easement acquisitions, in addition to the requirements above, provide:

8. A copy of the proposed easement guaranteeing the authority to use the property for the purposes specified in the application.

For relocation costs, in addition to the requirements above, provide:

9. A letter signed by the authorized representative designated in the resolution, listing the relocation costs for each displaced tenant, certifying that the relocation amount does not exceed the maximum allowed pursuant to Government Code §7260-7277.

Acquisition Costs

Eligible Acquisition Costs

- In-house employee services.
- Grant/project administration and accounting.
- Public meetings/focus groups/design workshops.
- Appraisals, escrow fees, surveying, other costs associated with acquisition.
- Cost of land or appraised value, whichever is less.

Ineligible Acquisition Costs

- Costs to fulfill any mitigation requirements imposed by law (PRC §80020)
- Acquisitions where purchase price is greater than appraised value.
- Costs for land acquired through eminent domain or condemnation.
- Costs incurred outside the grant performance period.

Payment Documentation

All applicable application and acquisition documentation must be submitted prior to requesting payments. Grantees should inform the Project Officer three months prior to escrow closing whether they will be seeking an advance into escrow or requesting reimbursement after escrow closes. A physical check will be issued by SCO and sent through standard U.S. Mail. SCO does not provide the option to wire funds.

Documents Required for Advances Directly into Escrow

1. A letter signed by the authorized representative designated in the resolution, requesting disbursement of grant funds into escrow. See [Advances Directly into Escrow -Acquisitions Only](#) webpage for detailed instructions.
2. The escrow company completes a [STD. 204 Payee Data Record Form](#) to allow for the grant payment to be sent directly into escrow.
3. Preliminary Title Report
4. Payment Request Form: the “Send Warrant To” item 7 on the Payment Request Form must be completed using the title company’s or escrow holder’s name, mailing address, and contact person.
 - [State Grant Payment Request Form](#)
 - [Federal Grant Payment Request Form](#)

Documents Required for Reimbursement of Acquisition

1. Preliminary Title Report
2. Payment Request Form
 - [State Grant Payment Request Form](#)
 - [Federal Grant Payment Request Form](#)
3. Final Escrow Closing Statement
4. [Grant Expenditure Form](#), if requesting eligible acquisition project costs outside of escrow.
5. Recorded Deed
6. Recorded Deed Restriction
7. Title Insurance Policy
8. Photo of the mounted [funding acknowledgement sign](#) and location, if applicable.