

REGION 1 RELOCATION REPORT

Fall Forum 2009

Relocation Classes:

Since April, classes 501, 503, 504 & 506 have been offered in our region (according to the education schedule on the website,) although this was not confirmed. The most recent schedule of classes shows class 505 being offered in Region 1 throughout the next few months.

Some local Chapters have been successful in securing recertification credits for members attending luncheons with industry-related topics. The speaker must present actual content for at least 50 minutes in order to qualify for 1 unit (hour) of recert credit. An example was a talk on mitigating loss of business goodwill by providing above and beyond relocation advisory services – not just the minimum requirements of the URA (a California Chapter).

Challenges Created by Declining Housing Market and Mortgage Industry Troubles:

REMAINS A CURRENT ISSUE! The biggest challenge we've been experiencing in the past six months is the acquisition of owner-occupied properties with upside-down mortgages. Even if the debt is wiped clean through an eminent domain process or an administrative settlement, this leaves the owner with nothing to put down on a replacement home. And since we continue to experience an abundance of replacement housing for purchase at list prices the lowest we've seen in years, there have been little to no PPD payments.

Although the FHWA issued a temporary programmatic waiver that allows the PPD to be calculated based on the appraised value, not the negotiated or settlement value, this does not address the fact that there are plenty of comparable homes available at the **appraised value** or less, so there still isn't a PPD. In addition, while inventory is high, it also continues to be much more difficult to qualify our displacees for mortgages due to the tougher loan qualification requirements.

Chapter 67 held a Spring Forum session on this topic, and Chapter 57 is holding a similar session at their Fall Education Seminar. Some Agencies have addressed the problem through Last Resort Housing, but they have literally put in place their own specific program approved for their project.

We continue to see rental rates decreasing and the inventory of available homes/apartments for rent is increasing. Several areas still see decreases in commercial rental rates and/or more easily negotiated amenities, tenant improvements, etc. due to the glut of industrial/commercial properties for sale and for rent.

Impact of New Legislation:

Arizona: Last July, the Arizona legislature passed a revision to the anti-deficiency statute, which allows the foreclosing bank to report the deficiency (the difference between what was owed on a property and what the property ended up selling for when it was re-sold after the fore-closure) as

an unpaid debt on the displacee's credit report. Subsequently, the new law was overturned and reversed by the Governor.

Chapters 28 and 73 are discussing trying to get legislation passed next year to increase the reestablish limit to \$25,000.

Updates from International Relocation Committee Meeting in June 2009:

- Relocation Committee submitted revamped facilitator certification requirements for relocation courses to the IPDC and requirements have changed (must have R/W-RAC to facilitate a relo course)
- Relocation Committee members are coordinating and conducting seven relocation-related sessions at the Educational Seminar in June 2010
- Matrix approved by IPDC for four new relocation courses to be developed; RFPs to go out and budget still needs to be approved
- Course 501 and 504 being revamped; RFP out for revamp of Course 505
- Relocation Committee revamped its "Strategic Plan", and now each subcommittee has been tasked to develop their own strategic plan (subcommittees are: Research/Studies, Outreach, Strategic Planning and Education)
- John Reed with TexDOT is the new IPDC Liason to the International Relocation Committee
- Relocation courses are to be reviewed by the Relocation Committee every 3 years and adjusted accordingly
- In-Lieu Payment online course proposed
- A Credentialing Task Force was formed – will develop a relocation assistances experience checklist for use by local PDCs in evaluating candidates practical experience in relocation assistance
- Uniform Act Certification Program – heavy on relocation component (proportionate to amount of text related to relocation compared to acquisition and appraisal in the URA)