

## BUYOUT BUILDING AUCTION POLICIES AND PROCEDURES

Once a property with structure(s) is acquired through the CDBG-DR / CDBG-NDR Involuntary Acquisition Program, a determination shall be made with regards to the structure(s) as to whether it shall be demolished or an effort will be made to sell at auction with the understanding that if sold the structure(s) shall be moved outside the defined buyout areas for flood mitigation measures.

The following constitutes the policies and procedures for determining and carrying out auctions:

- Except for Eminent Domain cases, upon closing on a buyout property, CDM Smith as the program manager for acquisitions shall notify the city's CDBG-DR /CDBG-NDR Technical Support Specialist (TSS).
- On Eminent Domain cases upon city taking title the TSS shall be notified.
- The TSS shall schedule a walk-through inspection of the structure(s) within one week of notification to include a representative of the city's code enforcement and a CDM Smith engaged professional knowledgeable in building structural soundness.
- The purpose of the walk-through inspection shall be to determine if the structure(s) on the acquired property is suitable for auction with criteria to include:
  - Structurally sound,
  - Suitable to be relocated through moving,
  - Habitable if a home and suitable for reuse if a commercial / non-profit structure;
  - Either is code compliant or sufficiently meeting code that a move not result in substantial repair to meet code
- The TSS shall be responsible for compiling in a written brief the conclusions of the three walk-through inspection participants.
- The written brief should include a recommendation as to demolition or as a potential for auction and shall be presented to the DR Grant Program Manager within a week of the conclusion of the walk-through inspection.
- Within two weeks of receipt of the written brief, the DR Grant Program Manager will decide on whether to accept the recommendation or seek additional information from the TSS
- If more information is needed, no more than a week should elapse before a final decision is made DR Grant Program Manager.
- Structures approved for potential auction will then be assigned for environmental inspections, including lead based paint and asbestos as needed. The environmental inspections shall be completed as quickly as reasonably possible. Environmental inspection results shall be presented to the TSS as soon as the laboratory analyses are complete and CDM Smith finalizes the environmental reports.
- Structures approved for auction shall be disposed on as timely a basis as possible throughout the year based on a combination of cost effectiveness if possible in bundling auctions but not inordinately delaying imposing unnecessary security and maintenance costs with city departments.
  - The City of Minot is responsible for the coordination and advertising of the structures to be auctioned.
- After itemized expenses directly related to the Auction and maintenance/preparation of the structure(s) for auction are paid, all remaining proceeds from the Auction shall be reported as CDBG-DR / CDBG-NDR Program Income depending on the source of HUD funds for the

acquisition or be remitted if purchased through State Water Commission (SWC) funds as required in agreements with the state.

- Procurement of auction services shall follow city and state procurement requirements.
- Auctions shall be conducted consistent with local and state laws, shall be open and transparent, and as widely advertised as possible to maximum opportunity for bidding.
- Federal Compliance Officer with support as required from CDM Smith shall monitor the auction process and assure that all necessary preparation work is undertaken to expedite auctions.
- It shall be disclosed as a condition of sale that all auctioned properties cannot be moved to a current or prospective buyout area within the city of Minot including the requirement that the successful bidder will be required to disclose the location where the structure(s) will be moved. Additionally, any potential bidders should reach out to the TSS to verify the new structure location will not be in a current or prospective buyout area.
- Structures successfully auctioned, upon completion of sale documents handled consistent with policies governing transactions involving buyout properties, shall be monitored by the TSS in coordination with appropriate city departments' staff for moving of the structure.
- Successful bidders will have 90 days to remove the structure from the property unless additional time is granted by the City for extenuating circumstances.
- Immediately upon structure being moved off foundation, TSS will notify CDM Smith to add the structure to the demolition list.

The City of Minot DR Grant Program Manager has the authority to grant extensions to the timelines above if justified.