

Mountains Recreation and Conservation Authority

APPRAISAL POLICY FOR ACQUISITIONS BY SALE AND DONATION

Section 1. Definitions

- 1.0. "Restricted Use Appraisal" is the briefest written appraisal report that can be prepared in conformance with the Uniform Standards of Professional Appraisal Practice. It does not provide information about how the market value of the property was determined. A Restricted Use Appraisal report can not be used for, or provided to any third parties.
- 1.1. "Summary Appraisal" is a more detailed report, providing summaries of market conditions as well as a summary of the analysis performed, opinions, and conclusions. The Summary Appraisal report includes three typical approaches to value: cost, sales comparison, and income capitalization, and may be used by third parties.
- 1.2. "Member of the Appraisal Institute" is a designation for an appraiser who is a member of the Appraisal Institute, a professional organization that endeavors to uphold professional credentials, standards of professional practice and ethics. Members of the Appraisal Institute are generally regarded as highly professional and competent appraisers. Members of the Appraisal Institute shall be known hereinafter as "MAI".
- 1.3. "Santa Monica Mountains Open Space Preservation Assessment Districts No. 1 and No. 2" shall be collectively known hereinafter as "Assessment Districts".
- 1.4. "Mountains Recreation and Conservation Authority" shall hereinafter be known as "Authority".

Section 2. Governing Statue and Prior Appraisal Policies

- 2.0. This policy is a supplement to, and does not replace or supplant, the appraisal and negotiation policies contained in the Uniform Relocation and Real Property Acquisition Policy Act (Government Code § 7260 *et seq.*).
- 2.1. This policy is intended to supercede all prior Authority appraisal policies and shall be used in all applicable transactions.

Section 3. Use of Restricted Use Appraisals

- 3.0. A Restricted Use Appraisal shall be commissioned to determine the fair market value of an acquisition by sale when the estimated or listed price or value, or bid price in the case of tax defaulted or surplus properties, is equal to or less than two hundred and fifty thousand dollars. A Restricted Use Appraisal shall be commissioned to determine the fair market value of an acquisition by donation when deemed necessary by the Executive Officer of the Authority.

Section 4. Use of Summary Appraisals

- 4.0. A Summary Appraisal shall be commissioned to determine the fair market value for acquisitions by sale when the estimated or listed value exceeds two hundred and fifty thousand dollars, unless the Executive Officer determines that the subject property is not sufficiently large or unique to require a Summary Appraisal, in which case a Restricted Use Appraisal shall be used. A Summary Appraisal shall be commissioned to determine fair market value of acquisitions by donation only when deemed necessary by the Executive Officer of the Authority.

Section 5. Review of Appraisals

- 5.0 All Summary Appraisals **finding a value greater than two hundred fifty thousand dollars per property** shall be approved by an independent MAI appraiser or by the Department of General Services. **Summary Appraisals finding a value less than \$250,000 per property and** Restricted Use Appraisals do not require a review unless the Executive Officer of the Authority deems that it is in the best interest of the Authority and/or the Assessment Districts that the appraisal be reviewed.

Section 6. Applicability to Assessment Districts

- 6.0 The Engineer's Reports, the governing documents for the Assessment Districts' funds provides:

"An appraisal of fair market value will be prepared by at least one independent appraiser prior to the acquisition of Open Space Properties by the Authority. No property shall be acquired at a price in excess of an independent appraisal of fair market value."

- 6.1 This policy shall apply to all acquisitions by sale in which funds from the Assessment Districts are used. In no event shall funds from the Assessment Districts be used for an acquisition of real property without a fair market value appraisal.

- 6.2 At the discretion of the Executive Officer, a Restricted Use appraisal may be commissioned for donations of real property within the context of the Assessment Districts, specifically for the Authority's General Benefit contribution as required by the Engineer's Reports.