



# ACQUISITION AND RELOCATION POLICY

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**Date of Original Policy Adoption:** \_\_\_\_\_

### ***Amendment Log***

<b>Date of Amendment</b>	<b>Parts Amended</b>	<b>Approved by</b>

## Purpose

Calhoun Liberty Hospital (the Hospital) is committed to acquiring property for CDBG-DR projects in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), 42 USC 4601 and the federal regulations found in 49 CFR 24. The URA provides for uniform and equitable treatment of persons displaced from their homes, businesses or farms as a result of acquisition, rehabilitation, or demolition of real property for any phase of a federal or federally funded project. The URA also establishes equitable land acquisition policies.

The purpose of the URA is:

- To ensure owners of real property acquired for federal and federally assisted projects are treated fairly and consistently, to encourage and expedite acquisition by agreements with such owners, to minimize litigation and relieve congestion in the courts, and to promote public confidence in federal and federally-assisted land acquisition programs;
- To ensure persons displaced as a direct result of federal or federally assisted projects are treated fairly, consistently, and equitably and do not suffer disproportionate injuries as a result of projects that benefit the public; and
- To ensure acquiring/condemning authorities implement these regulations in an efficient and cost-effective manner.

The URA is triggered when real property acquisition related to a CDBG-DR project is contemplated or persons are to be displaced as a direct result of acquisition, demolition, and rehabilitation at any phase of a federally funded project.

Acquisition rules apply any time an acquiring entity:

- Undertakes the purchase of property directly;
- Provides a nonprofit or for-profit entity with funds to purchase the property;
- Hires an agent or consultant to act on its behalf in acquisition;
- Undertakes acquisition on or after a CDBG-DR application submission date unless the acquiring entity demonstrates that the acquisition was unrelated to the proposed activity; or,
- Undertakes an acquisition before the application submission date and the acquisition were intended to support a subsequent CDBG-DR activity.

## Environmental Diligence and Acquisition

The Hospital will endeavor to acquire properties and conduct environmental assessments in accordance with 24 CFR 58 – electing to utilize an option contract when feasible. The Hospital acknowledges that executing a contract to purchase property for a CDBG-DR project before the environmental review is completed is considered a commitment of funds and a choice limiting action, per 24 CFR 58.22(a).

In option contracts, the Hospital will strive to meet the following requirements:

- The Option agreement specifically states it is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR 58; and
- Cost of the option is a nominal portion of the purchase price.

## Definitions

**Acquiring Entity** – The entity performing the acquisition or under whose authority the acquisition is performed. The Hospital, as a subrecipient, is ultimately responsible for ensuring compliance with all URA requirements.

**Acquisition** – Purchase of eligible property to be utilized to meet a HUD National Objective.

**Buyout** – Purchase of eligible properties such as those within a floodway, floodplain, or designated Disaster Risk Reduction Area (DRRA). Once a property is acquired in a Buyout program, it is then converted in perpetuity to green space, wetland management, or flood plain management.

**Condemnation** – The legal process used for taking property under the authority of eminent domain.

**Eminent domain** – The power of the government to take private property and convert it to public use. Constitutional protections require just compensation be paid for any private property converted to public use.

**Real Property** – All public improvements or activities related to an eligible CDBG-DR project must be constructed on public property, owned by the subrecipient, or recorded as a right-of-way or easement. Real property in the context of acquisition refers to permanent interest in real property as well as certain less-than-full-fee interests in real property. This can include:

- Fee simple title to the acquired property;

- Permanent and temporary easements necessary for the project;
- Properties subject to a life estate or life use;
- Property that is leased for a term of 15 years or more.

## Methods of Acquisition

The Hospital will determine whether the acquisition of real property is voluntary or involuntary. Likely examples of acquisition include donations, just compensation purchases, negotiated purchases, condemnations, and/or eminent domain.

- **Donation** – A transaction is considered a donation only if the owner agrees to give rather than sell the property to the acquiring entity. After being fully informed by the Hospital of the right to receive just compensation an owner may donate the property to the Hospital. The Hospital is responsible for ensuring that an appraisal is obtained unless the owner releases the Hospital from such obligation. Can be voluntary or involuntary;
- **Just compensation purchase** – Acquisition price for real property is determined through a valuation process by a licensed appraiser.
- **Negotiated purchase** – Acquisition of property at a price different from the value that was determined through just compensation.
- **Condemnation / Eminent Domain** – A last resort, with approval obtained through the grantee (Department of Economic Opportunity).
  - **Calhoun Liberty Hospital, as a not-for-profit and not a unit of government, does not have the authority to condemn a property or acquire it through eminent domain, and thus will not acquire property through that method.**

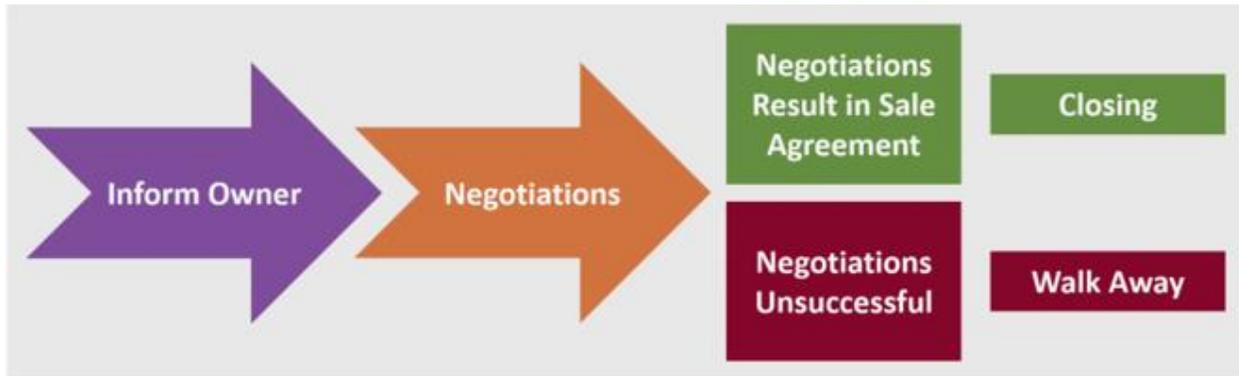
## Determining Voluntary or Involuntary

The Hospital will determine whether an acquisition is voluntary or involuntary to satisfy federal requirements. To be considered voluntary, the following conditions apply:

- The acquiring entity must inform the owner in writing that the property will not be acquired through condemnation if negotiations do not reach an amicable agreement;
- The acquiring entity must inform the owner in writing of the property's fair market value using an appraiser.

Per 49 CFR 24.101(b)(2), Acquiring agencies without Eminent Domain authority – such as the hospital – are held to the above actions. A transaction is considered involuntary if it does not comply with any of the above requirements. The Hospital will only engage in voluntary property acquisitions as part of its CDBG projects.

## Voluntary Acquisition Process



The Voluntary Acquisition Process consists of eight steps:

1. Determine property to be acquired – Prior to beginning an acquisition process, the hospital will assess real property needs and document the needed real property for the CDBG-DR project.
2. Notify State Agency (DEO) – The hospital will notify Department of Economic Opportunity Office of Long-Term Resilience of its intent to acquire property as part of a CDBG funded project.
3. Determine fair market value of the property – The hospital will utilize a fair market estimate to determine the value of real property to be acquired. A formal appraisal is not required but the Hospital must have a reasonable basis for the determination of fair market value.
4. Notify owner of property rights – The hospital lacks the authority to condemn properties. It will notify owners, in writing, of targeted CDBG project property(ies) prior to making a purchase offer, of the property's fair market value. The hospital will also advise the owner that it will not acquire the property if an amicable settlement cannot be reached.
5. Complete Environmental Review / Assessment – The hospital will conduct an environmental review prior to execution of agreement for sale, lease, or donation of real property, per 24 CFR 58.22. If significant environmental impact will occur, the hospital will search for alternative sites. An option to purchase is permissible prior to completion of the environmental review.
6. Determine price or donation – Property owners may donate the property or accept the fair market value of a property. If donation or fair market value are rejected by the owner, the hospital may negotiate with the property owner to reach an agreement. Any negotiation resulting in a 10% or greater increase in price above fair market value must be approved by the hospital board of directors.
7. Execute agreement – the hospital and property owner will execute a sale or donation agreement and the deed will be recorded as required by State of Florida regulations.
8. Document information – the hospital will document all acquisition information for each acquired parcel, and consult with appropriate DEO staff as necessary to ensure appropriate documentation is recorded.

## Involuntary Acquisition

The Hospital will not engage in condemnation or involuntary acquisition toward the completion of CDBG-DR projects.

## Relocation

It is the hospital's goal to minimize the displacement of persons or entities involved in or affected by disaster-recovery related activities. Under "voluntary acquisition", owner-occupants are not eligible for relocation assistance. Tenants are eligible and must be provided timely notice of relocation rights and assistance. Where applicable within CDBG-DR projects, the Hospital will take the following steps to minimize direct and indirect displacement of persons from their homes:

1. **Send General Information Notice and HUD Brochure** – If the hospital is acquiring property that may result in displacement, it will mail all tenants a General Information Notice and the HUD “Relocation Assistance to Tenants Displaced From Their Homes” brochure (HUD-1042-CPD).
2. **Schedule Intake and Confirm Eligibility** – The hospital will then hold an intake meeting open to all affected tenants. The hospital will provide relocation benefits eligibility information at the meeting, answer tenant questions, determine tenant needs and preferences, and verify income as needed.
3. **Certify Income and Determine National Objective** – The hospital will document income certification so that national objective can be determined (i.e. LMI vs. Urgent Need).
4. **Initiate Negotiations** – the hospital may then initiate negotiations should a buyout or acquisition be required.
5. **Identify Comparable Dwellings** – the hospital will then identify comparable replacement dwellings which are available for rent with the guidance of a real estate professional, in accordance with HUD Form 40061, which are decently safe and sanitary, and not located in a Special Flood Hazard Area.
6. **Send Notice of Eligibility and 90-day Notice** – upon approval of HUD Form 40061, all affected tenants will be mailed a Notice of Eligibility, informing the tenant that they are eligible for relocation benefits. This will include information about the amount of benefits, and 90-day notice to relocate.
7. **Relocate Tenant** – In accordance with HUD policy, the tenant then has 90 days to relocate to a new dwelling.
8. **Inspect New Tenant Unit** – The hospital will work with a real estate professional to ensure that all new tenant units meet Decent Safe and Sanitary and Housing Quality Standards. It will also determine whether new units are located in Special Flood Hazard Areas.

9. **Determine Tenant Eligibility for and Amount of Assistance** – If the above standards are met, the Hospital will complete HUD Forms 40054 and 40058 to calculate the level of assistance to be received. These will be transmitted to DEO.
10. **Disburse Assistance Payment** – Once amount is determined and Forms 40054 and 40058 are filed, expense payments to tenants will be disbursed. Rental assistance payments will be made in no fewer than 3 parts over a 42-month period.

## Other Program Requirements

**Procurement:** Necessary surveyors, appraisers, title companies, URA vendors and other professionals whose services are required for acquisition and URA compliance must be procured under the Hospital's rules for procurement of professional services.

**Environmental Review:** Environmental reviews must be completed prior to completion of acquisition activities.

**Release of Funds:** All acquisition activities must be fully documented, completed, executed, and recorded prior to the execution of any related construction contracts. Release of funds occurs after property acquisition is complete. If acquisition is required, additional documentation may be required before construction funds may be released.

**Recordkeeping:** The Hospital will be responsible for generating and recording notices and records of URA activity, including documents, mailed communications, and email correspondence. All mailed communications will be sent as "USPS Certified, Return Receipt Requested" or similar.

**Private to Private acquisition of Real Property:** If an acquisition is a private to private acquisition of real property, the URA does not apply. However, if CDBG-DR funds are invested in public infrastructure to support that private enterprise, any acquisition with respect to the public infrastructure is subject to URA.