

Demolition & Clearance

Purpose

The purpose is to provide for the demolition & clearance of vacant, unoccupiable flood damaged properties that will not be acquired or turned into deed-restricted green space.

Eligible Recipients/Project Area

Eligible applicants are units of general local government which will be awarded funds from the CDBG-DR program as a result of the 2019 flooding natural disaster as defined by FEMA Declaration DR-4421-IA dated March 23, 2019 for Iowa Severe Storms and Flooding (March 12, 2019 and continuing).

Eligible Activity

Activities include the demolition and clearance of properties that received substantial damage during the 2019 flooding event but were not included in a FEMA public-health-and-safety demolition. All properties considered for demolition & clearance must be vacant and unoccupiable. Documentation that the structures are unoccupiable and have been vacant since the disaster event should be included.

Such eligible activities under this program include:

- Demolition of buildings and improvements
- Removal of demolition products (rubble) and other debris
- Infill of basements or crawl spaces and grading as necessary
- Physical removal of environmental contaminants or treatment of such contaminants to render them harmless.
- Shut-off and capping of utilities, wells and cisterns as applicable.

National Objective

Demolition and clearance projects in eligible cities and counties will use the elimination of slum-and-blight HUD national objective. This can be done on an area or a spot basis.

Slum & Blight Area Basis:

- When conducting demolition & clearance activities across a wider area, the municipality may officially designate the targeted area as meeting the conditions of slum & blight. These are defined by the State in Chapter 403 of the *Code of Iowa*. Decaying or deteriorating buildings are a key indicator that an area meets this basis. In addition, per 24 CFR 570.208(b), at least 25% of buildings within the area must be deteriorating. The municipality must document the targeted area boundary and the conditions of all of the buildings within it.

Slum & Blight Spot Basis:

- When a specific property, and not an entire area, is of concern, the applicant municipality may use the slum & blight spot basis for demolition & clearance activities. Slum and blight is defined by the State in Chapter 403 of the *Code of Iowa*. Properties addressed on a spot basis cannot be within an officially designated slum & blight targeted area. These properties must contain deteriorating or decaying buildings and pose a health & safety risk to the general public.

Award

The CDBG-DR award will be based on the applicant's requested amount for demolition and clearance services. Application request amount should be established through the comparison of similarly funded costs incurred for similar work. For example – the community could use the average of FEMA PA demolition costs to estimate their CDBG-DR Demolition Clearance costs. All demolition contracts must be bid following the CDBG-DR Procurement Policy and only incurred costs deemed necessary and reasonable will be reimbursed through this program.

Project Delivery

CDBG-DR will provide up to \$750 per property being acquired for project delivery. The COG will provide a lump sum project delivery estimate in the application for CDBG-DR funding. Project Delivery must be substantiated by documentation of costs incurred and cannot be duplicated by another federal funding source. Project Delivery may include but is not limited to:

- Environmental Review Record documentation, including any required publication costs
- Demolition oversight and coordination
- Easement development and execution
- Financing/Interest incurred for project implementation

CDBG-DR 2019 Application Requirements

This program is designed to assist communities in performing demolition & clearance activities on properties without acquiring the parcels or turning the cleared land into deed-restricted green space. Applications will be open-cycled, reviewed, and approved as submitted to IEDA. Applications will be accepted only from cities and counties in the MID area (Fremont, Harrison, and Mills counties).

Slum and Blight Inventory and Summary Forms

These two forms provide the required documentation that at least 25% of buildings must experience physical deterioration throughout the targeted area. Applications on an area basis that do not demonstrate that such criteria are met will be eliminated from funding consideration.

Area basis applicants must provide each of the following items in a separate attachment. Spot basis applicants must provide just the Slum and Blight Inventory Form adjusted for the buildings proposed for demolition & clearance.

- Attach the completed **Slum and Blight Inventory Form for each building in a color document, either a Word document or a PDF**. Please first include the forms for buildings proposed for demolition with CDBG-DR funds, in the same order as other application documentation that lists the buildings, followed by the others in a logical sequence. This form must be completed for all buildings in the slum/blight area for area basis applicants. For spot basis applicants, this form must be completed for all buildings proposed for demolition & clearance. The conditions are based upon definitions of property ratings for classifying buildings as excellent, good, fair or poor. Descriptions must be included of the building conditions, and not just a need for a certain scope of work. For example, do not use "needs tuckpointing." Some satisfactory examples of descriptions are "crumbling brick, cracking stucco, wood rotted on window frames, cracks in window sills, weathered and discolored awning, rusty sign."

The rating sheet consists of one or more photographs of each building, a description of the condition of major building components, and an overall property condition rating. More than one photo for each building may be submitted to show deterioration conditions.

- Complete the **Slum and Blight Summary Form** of properties for the entire slum and blight designated area. This must include the total number of buildings, the type of buildings, and the percentage of buildings that are deteriorated in the area as a whole. The percentage of buildings designated as fair or poor must be at least 25% to be eligible. *Note, this breakdown is also required in IowaGrants.gov.* The applicant may also include responses to the other fields in the form if they are contributing to slum and blight conditions in the area.

The Slum and Blight Inventory Form requires details on specific buildings. Consistency in describing the conditions, area, and buildings is important because the inventory will be used as documentation toward meeting a national objective.

The community must utilize the rating scale below for measuring physical conditions in the slum/blight area as excellent, good, fair or poor. A common method used to evaluate conditions is a windshield survey (the name “windshield” derived from surveying buildings and infrastructure from the inside of a vehicle). For the exterior of the building, the definitions can be used to evaluate the condition of the major components (roof, foundation, exterior walls, etc.) of a structure as well as an overall building rating.

Physical deterioration of buildings and improvements are those buildings whose condition meets the definition of fair or poor under the rating criteria listed below.

Definition of Excellent Condition
Buildings in excellent condition require little or no exterior work. Buildings that are in excellent condition may be of any age or style. They demonstrate consistent, planned maintenance and repair, components appear to be code-compliant and energy efficient.
Definition of Good Condition
Buildings in good condition have cosmetic deficiencies or other early signs of aging and wear. Example indicators: <ul style="list-style-type: none">• Building components appear to meet code, but energy efficiency improvements such as storm doors and windows and caulking may be needed.• Decorative features may need to be secured, but items are in place.• Materials do not need replacement but do need some minor maintenance and repair. For example, roofs may be of older composition, but not yet deteriorated or leaking; siding may need spot painting or other “touch-up”; foundations and chimneys appear structurally sound but may show beginning signs of voids or loose mortar joints.

Definition of Fair Condition

Buildings in fair condition show clear signs of deterioration indicative of a property that has not been maintained for 5 to 10 years. A determination of fair for a building component means that the extent of defective conditions or deficiencies applies to at least 25% of the component.

Example indicators:

- Some building components may be nearing the end of their serviceable life. Small wood and metal trim pieces of buildings may be lifting away from primary surfaces.
- At least 25% of roofing and related surfaces, including roofline, trim, flashing, and chimneys may be brittle, curled, cracked, and missing, with overall signs of aging, and exhibit levels of deterioration specific to this category.
- At least 25% of doors and windows may be old and worn, loose, ill-fitting, drafty, and otherwise energy inefficient and may have peeling paint or deteriorating vinyl or other surfaces.
- Exterior walls have at least 25% of surfaces with missing, broken or otherwise deteriorated siding, painted surfaces in progressed state of peeling, or brick surfaces needing repointing.
- At least 25% of porches, stairs, and decking show early signs of deterioration including worn, cracked, and warped components affecting components such as treads, balusters, rails, jousts, and support posts.
- Foundations have cracks and voids over at least 25% of surface area.
- Storefronts and signage are aging, with architectural features that may have been covered with sheet metal, asbestos, asphalt, or other materials from renovations of earlier decades. These covering materials, as well as any exposed original surfaces, are now showing signs of deterioration over at least 25% of their surfaces.

Definition of Poor Condition

Buildings in poor condition appear to have not been maintained for at least 10 years and have components which are beyond the end of their useful life. A determination of poor for a building component means that the extent of defective conditions or deficiencies applies to at least 50% of the component.

Example indicators:

- Exterior trim is missing altogether.
- One or more major building systems may be in danger of failure.
- The roof may be sagging with areas of extensive wear, exposed sheathing, and evidence of leaks over at least 50% of surfaces. Roofline trim, flashing, and chimneys exhibit levels of deterioration specific to this category.
- At least 50% of doors and windows may be rotted, broken, missing, and/or boarded up, with peeling paint or deteriorating vinyl or other surfaces.
- Exterior walls have at least 50% of surfaces with missing, broken, or otherwise deteriorated siding; painted surfaces rotted or in advanced state of peeling paint or brick or other masonry surfaces needing repair or repointing.
- At least 50% of porches, stairs, and decking exhibit hazardous and unsafe conditions including sagging, rotted, and missing components, and separation from the main structure.
- Foundations are extensively cracked with missing stone or masonry over at least 50% of areas; indications of structural instability, and may require replacement and shoring up, including sill work.
- Storefronts and signage are nearing end of useful life with original or old replacement materials which are extensively deteriorated over at least 50% of their surfaces.

What are not blighted conditions: HUD does not consider transitory conditions such as graffiti sprayed walls and litter strewn, vacant lots to be long-term blighting influences. HUD does not accept inappropriate zoning, the absence of infrastructure, or the presence of vacant or undeveloped land as evidence of blighted conditions.

Required Application Documentation:

- All fields in IowaGrants.Gov application must be completed
 - If using an area basis:
 - Resolution from the City declaring a slum & blight area in accordance with Chapter 403 of the *Code of Iowa*.
 - Map of the targeted area. The slum and blight area that is documented for the purposes of this application is considered the **targeted area** for the project. Proposed improvements to buildings can be anywhere within that targeted area, but not outside of it. For the map itself, an assessor's parcel map or equivalent is recommended.
 - Map showing the buildings proposed for demolition & clearance. These buildings can be identified in the same map as the slum and blight area map, or in a separate map.
 - Summary Table of Participating Properties
 - Slum & Blight Inventory Form
 - Slum & Blight Summary Form
 - Resolution of Support from the City
 - Support documentation for the project budget
 - Support documentation that participating properties are unoccupiable and have been vacant since the disaster
 - If using a spot area basis:
 - Slum and Blight Inventory Form for each property being proposed for demolition & clearance with photographs visualizing the properties
 - Summary Table of Participating Properties and certification that the properties are not located in a Slum & Blight Targeted Area
 - Resolution of Support from the City
 - Support documentation for the project budget
 - Support documentation that participating properties are unoccupiable and have been vacant since the disaster

Post- Award Considerations

Any project funded through this program will be required to comply with all federal and state requirements. By passing a resolution of support and executing a contract with IEDA, the applicant entity assumes the responsibility for enforcing these requirements as the HUD-designated Responsible Entity in accordance with 24 CFR 58. Accordingly, the following steps will be required post award:

- IEDA will enter into a contract with the City for the awarded amount of funds for the demolition & clearance program
- City will procure a contractor for demolition
 - Recipient shall follow the federal procurement requirements in 2 CFR 200 and the instructions for procurement provided by IEDA online at <http://www.iowaeconomicdevelopment.com/userdocs/documents/ieda/InstructionsProcurementServicesCDBGprojects.pdf>.
 - All contracts that are competitively procured must be reported in iowagrants.gov by completing the contractor clearance form prior to the contract start date. The Recipient

must also complete a cost reasonable analysis prior to soliciting proposals and maintain a record of this analysis onsite.

- Release of Funds –give a general timeline with required consultation and publication for this process.
 - Before the release of funds, an environmental review will take place to ensure compliance with all federal and state laws.
 - An environmental review is an analysis of impacts of a project on the surrounding environment and environment on the project. An environmental review:
 - Ensures HUD-funded projects provide decent, safe and sanitary housing
 - Demonstrates compliance with up to 17 federal environmental laws and authorities
 - Is a public document that encourages public participation
 - Is coordinated by the municipality and grant administrator
 - Timeline:
 1. Submission of completed checklist to IowaGrants
 2. Municipality will upload in iowagrants.gov the completed review.
 3. Review must be published locally
 4. Required public comment period up to 30-days
 - NO choice limiting action – until review is complete and applicant have received an approved Request for Release of Funds from the State. Neither applicant nor partners are allowed to commit or spend HUD or non-HUD funds on physical or choice-limiting activities. This includes:
 - Bidding
 - Entering a contract
 - Construction, demolition, and clearance
- *Contractor Clearance*
 - All work for construction must be recorded in an executed contract
 - All contractors must be registered to work in the State of Iowa
 - All contractors and contract data must be submitted for Contractor Clearance in IowaGrants
- *Duplication of Benefits*
 - NO duplication of benefits (DOB) will be allowed
 - COG will upload to iowagrants.gov FEMA/HSEMD completed DOB verification form.
- *Wage Rates and Davis Bacon Compliance*
 - Not applicable to Demolition Only Activities
- *Claim documentation and Reimbursement*
 - IEDA will reimburse funds in the form of a grant for actual costs incurred.
 - Claims for reimbursement will be submitted by the recipient via the online www.iowagrants.gov system
 - The recipient shall maintain a file of all claim-supporting documentation including claim documents, invoices and payments
 - NO claim will be processed if quarterly status reporting is not current
 - The IEDA Project Manager (project manager) will notify the recipient if payment is withheld due to delinquent reporting
- *Reporting*
 - The recipient will report progress at least quarterly via www.iowagrants.gov to IEDA describing progress made toward the milestones outlined in the recipient's contract with IEDA

- The recipient will report on tasks completed, project scheduling issues, anticipated activities in upcoming quarters and, if applicable, supporting leverage metrics
- *Monitoring*
 - The recipient's grant will be monitored by an IEDA specialist in IowaGrants throughout the entirety of the project
 - The recipient shall be provided adequate and timely information to enable them to be meaningfully involved in important decisions at the various stages of the program, including at the following stages:
 - The determination of needs
 - The review of the proposed activities
 - The review of past program performance
 - Upon the recipient's expenditure of at least 50 percent of the CDBG-DR funds, a monitoring visit to the project area will be scheduled
 - The project manager will email the recipient and grant administrator to set up the monitoring visit
 - Monitoring visit date information and forms will be completed in www.iowagrants.gov
 - The monitoring visit report will be uploaded to www.iowagrants.gov and sent to the recipient and the grant administrator
 - The project manager will instruct grant administrators to upload any additional information identified as needed during monitoring visit
 - The project manager will enter into www.iowagrants.gov the date that requested additional information was received and approved

Q What are the basic principles to meet CDBG eligibility and national objective requirements for acquisition, demolition, and disposition activities?

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Each CDBG project must be an eligible activity and meet a national objective. Acquisition of real property, demolition and disposition are all eligible activities. Meeting a national objective can be more complex. CDBG grantees must identify the planned end use for all properties that they acquire. However, when the planned use does not come to fruition, grantees often struggle to find alternative end uses for these properties. Nonetheless, grantees should ensure that their acquisitions support the overall community development program. The table below attempts to provide additional clarification and examples.

FAQ ID:
3451

Common Scenarios Involving Acquisition, Demolition, and Disposition in CDBG

- LMA: Low- to Moderate-Income Area
- LMC: Low- to Moderate-Income Clientele
- LMH: Low- to Moderate-Income Housing
- LMJ: Low- to Moderate-Income Jurisdiction
- SB: Slum and Blight
- SBA: Slum and Blight Area
- URG: Urgent Need

Eligible Activity	End Use of Property	National Objective	Consequences
Acquisition Only	Property remains in public control. Example: Land acquired for public facility. Never put to permanent use.	National objective based on end use: LMA or LMC in this example. Never achieved a national objective.	Document national objective. Ineligible activity. Reimburse the program for all CDBG funds expended.*
Demolition Only	CDBG is not used for acquisition. Remains in private ownership or public property acquired through other sources. Demolition is the only eligible activity. Example: Dangerous building taken down, site planted with grass.	Spot Slum and Blight (SB) Possibly Slum and Blight Area (SBA) Possibly Urgent Need (URG) in limited situations.** LMA not available in CDBG. NSP allowed this because there was no slum and blight national objective.	Eligible if property meets criteria in 24 CFR 570.208(b) or 24 CFR 570.483(c) and 70% overall benefit maintained. Meet SB criteria or reimburse the CDBG program.
Disposition Only	CDBG funded upkeep and subsequent sale of CDBG-assisted property for eligible use.	LMH, SB, or other, depending on end use. If no end use, ineligible.	See Note A below. This scenario will generally involve CDBG acquisition.

Link regarding CDBG eligibility for Demolition Only activities:

<https://www.hudexchange.info/faqs/programs/cdbg-entitlement-program/acquisition-disposition-demolition/what-are-the-basic-principles-to-meet-cdbg-eligibility-and-national/>