



HUD, NSP, and the Demolition Process - Detailed



About this Tool

Description:

This document is intended to provide guidance to organizations and localities that intend to use demolition as part of their Neighborhood Stabilization Program strategy. These procedures detail a specific framework that can be considered in the administration of individual programs. A more basic outline is also available on the NSP Resource Exchange.

How to Adapt this Document:

These procedures are samples and to be used as a guide or template. Please keep in mind that every procedure listed in this sample document may not be applicable to your specific program.

Source of Document:

Substantial portions of this document came from the Center for Community Progress.

Disclaimer:

This document is not an official HUD document and has not been reviewed by HUD counsel. It is provided for informational purposes only. Any binding agreement should be reviewed by attorneys for the parties to the agreement and must conform to state and local laws.

This resource is part of the NSP Toolkits. Additional toolkit resources may be found at www.hud.gov/nspta

DEMOLITION PREPARATION and PROCESS

HUD NSP Requirements

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PART ONE: Identify Parcels needing Demolition:

Identify Parcels that are Candidates for Demolition:

- Site inspections to assess condition/status
 - Photos, inspection forms
 - GIS/mapping, assessing data
- ‘Blighted’ physical condition only
 - Complaints by neighbors/community groups
 - Local code violations, blight notices
- Create a ‘Blight Certification’ letter for each parcel

Verify eligibility of location within appropriate Census Tract/HUD Risk Score area:

- Check that each address meets the HUD criteria/national objective
 - Required HUD Risk Score
 - Obtain Risk Score #, Census Tract #, and Block Group #
- Progress and Reimbursement monitored through MSHDA’s OPAL system
 - www.mshda-opal.org - web site
 - OPAL will not allow entry of a parcel unless in permitted area
 - Each parcel address is a ‘project’ in OPAL
 - System will assign a ‘project number’ to each upon data entry

PART TWO: Preparation for Demolition:

Environmental Review and Clearance:

- Review NEPA 24 CFR, part 58
- Tier One review:
 - Prepared by the ‘Certifying Officer’ of the ‘Responsible Entity’ (RE):
 - *Single family/Residential*
 - *Commercial/Other structures*
 - Preparation of initial environmental review documents:
 - Both the ‘statutory checklist’ and the ‘environmental assessment’ checklist
 - Covers entire project
 - Includes initial publication/notice of FONSI and RROF
 - Notice of Finding of No Significant Impact (FONSI)
 - Notice of Intent to Request Release of Funds (RROF)
 - HUD will give approval for funds to be used:
 - Environmental Release Date
 - Time when entity can start obligating funds

- Tier Two – done by ‘Grantee’, site specific:
 - All parcels – must complete the ‘statutory checklist’/sec.58.5
 - Areas of regulatory compliance:
 - Historic preservation
 - Floodplain management
 - Wetlands protection
 - Coastal zone management
 - Sole source aquifers
 - Endangered species
 - Wild and scenic rivers
 - Air quality
 - Farmlands protection
 - Explosive/flammable operations
 - Noise abatement/control
 - Airport clear zones
 - Toxic chemicals and radioactive materials
 - Environmental justice
 - Attach documents, as needed.
 - Some parcels – require additional environmental review documentation:
 - If 5 or more parcels within 2,000 feet of each other
 - ‘Environmental Assessment’ checklist:
 - More detail/explanation required
 - Attach maps and other documentation
- Included Requirements: *(see details below)*
 - SHPO, Historic Clearances, Section 106 Review
 - NESHAP, 40 CFR 61, subpart M
 - Department of Environmental Quality (DEQ) Air Quality Division
Asbestos Program

SHPO/Historical clearances:

- aka “Section 106 Review”, 36 CFR, part 800
 - National Historic Preservation Act of 1966
 - Effects of actions on historic properties
 - Question: will program/activity alter current environmental conditions
 - For properties that are 50 years or older, with exceptions
 - Listed on, or eligible for listing on, the National Register of Historic Places
- Part of required ‘Environmental Review Procedures’ per HUD
 - Linked to Eligible Use of funds under Housing and Economic Recovery Act (HERA), sec. 2301.
- Assessment requirements based upon location of each parcel
 - Within historic districts or not
 - Local, State and National districts
 - ‘Listed’ or ‘eligible’
- GIS maps of historic districts
 - ‘Areas of Potential Effect’ of project

Verify/determine Ownership of each parcel:

- Ownership will determine different specific requirements, per Eligible Use
 - Owned by Grantee doing the demolition
 - Privately-Owned:
 - Different process and requirements
 - Releases, lien, etc. required for demo
- Obtain documentation – ownership/title, photos, inspection forms

Title Review and Clearances:

- Title reviewed for ‘insurable title’ (marketable title per industry standards)
 - Chain of title reviewed to confirm/verify ‘insurable title’
 - Includes verification of proper service of process and notification of tax foreclosure process that resulted in ownership
 - Title Company to provide status spreadsheets – with clarity of each parcel
 - Title Company to file Quiet Title litigation if ‘clouded’ and to provide Judgment of Quiet Title in XXXXX

Data Collection:

- Database and detailed spreadsheets to capture all addresses and update status/progress
 - All requests, clearances, dates, and fees
 - Monitor progress and outstanding data
 - Categorize parcel readiness based on still-needed documentation/clearances
- Maintain documents for HUD review
 - Both electronic and physical files/parcel folders

Specific financial management tool for federal grants:

- DRGR system – data entry of parcel information:
 - Initiate/enter parcels/data into DRGR system
 - www.mshda-opal.org
 - Street address-level data
 - Parcel information, HUD Risk Scores, Census and Block Groups required
 - OPAL will confirm each parcel meets criteria, upon entry
 - Environmental Review checklist
 - Version created by Responsible Entity
 - Combines Checklist and environmental assessment forms
 - ‘Blight certification letter’
 - Title/recorded deed – ownership documents and title commitment
 - Total cost estimate for demo per parcel
 - Before and/or After photos
 - OPAL will create and assign a ‘Project Number’ to each parcel
- Data entry of demo parcels - ‘*Activity Information*’ screen:
 - Parcel Address, City, Zip
 - County
 - Total Project Cost – estimate of total costs
 - Risk Score, Census Tract, Block Group

- Property Type(s): *(several choices to check box)*:
 - Foreclosed or Transferred
 - In Land Bank Portfolio
 - Blighted via certification letter
- Prior Use = ‘residential and mixed’ vs. ‘non-residential’
- Intended Use = ‘demolition’
- Structures on property = ‘yes’

Initial On-Site Inspection of each Parcel:

- ‘Notice of Demolition’ signs posted on each structure
- Identify any illegally-occupied structures and new vacant lots
- Determine physical condition/status for environmental testing to occur
 - if ‘safe to enter’ to allow environmental testing
 - if badly damaged or unsafe, will require an ‘ordered demolition’
- Determination of ‘size’ of each structure:
 - Measure square footage during initial inspections
 - Capture ‘size’ in spreadsheet
 - Pricing needed for demolition preparation
 - Permits based upon square footage
 - Residential – divided into small, medium, and large

Environmental Testing, Asbestos Causing Materials (ACM):

- Company performing tests must be Certified
- If structure is ‘safe to enter’:
 - Environmental Testing company will enter structure for testing
 - Will issue reports of any asbestos-containing materials
 - Demolition Contractor must conduct abatement of contaminated materials prior to demolition
- If structure is not safe/accessible for testing
 - Conduct limited to exterior testing
 - Must handle as Ordered Demolition, Type II landfill

UTILITY DISCONNECTS and CLEARANCES FOR DEMOLITION

Initial Request to Utility Company/Vendor or Municipality:

- Provide addresses and request disconnects
- May need to provide proof of ownership/title

Vendor to verify status of service:

- Schedule addresses for shut off
- If previously disconnected, obtain the wrecking clearance

Vendor to provide ‘wrecking clearance’ after disconnect

- Documentation required for demolition permit application
- Maintain records of invoices, payments and clearances

Water disconnects – usually handled by municipality:

- Submit request for disconnection and title/ownership documents
- Pay fee per water line disconnected
- Receive ‘wrecking clearance’ for demolition

Gas disconnects:

- Submit request for shut off, any required documents
- Pay fee per parcel
- Receive ‘wrecking clearance’ for demolition

Electrical disconnects:

- Submit request for shut off, any required documents
- Usually no fee per parcel
- Receive ‘wrecking clearance’ for demolition

PART THREE: Qualify and Hire Demolition Contractors:

Contract procedures:

- Pre-qualify, bid and award contracts to demolition contractors:
 - Request for Qualifications (RFQ) to identify qualified contractors per specifications, etc.
 - Then Request For Proposal (RFP) process to obtain pricing from pre-qualified contractors
- Assign parcels in groups, and monitor progress of contractors
 - Estimated cost pre-determined by Facilitator and Environmental testing
 - Change orders/additional costs require review and approval by DMB
 - Hold final payment until full compliance/completion
 - Some requirements cannot be completed until spring due to weather
 - Leveling of lot, concrete replacement, grass seed
 - DMB to hold percent of full payment (5% or 10%)
 - Random testing of demo contractors:
 - Quality/cleanliness of fill dirt
 - Compaction
 - Concrete
- Give final approval of demolition, recommend payment of contractor to MLBFTA

State demolition permits:

- Building Construction Codes, Buildings Division
- Demolition Permit Application to be completed by Demolition Facilitator
 - All documents/clearances provided
 - Then parcel is assigned to demo contractor
- Demolition Contractors request and pay for demo permits:
 - Require certification of utility terminations

- Fee based on square foot of parcel
- Additional asbestos fee

NESHAP - DEQ approval and permit process: *(part of Environmental Review)*

- Request federal environmental permit to demolish from DEQ
 - Asbestos Testing and Abatement
 - 40 CFR 61, subpart M
- Contractors required to notify DEQ as part of demo contract requirements
 - Two weeks (10 business days) prior to demolition if safe to enter
- If unsafe structure – treat as if ‘contaminated’:
 - ‘Ordered demolition’
 - Water spraying during actual demolition
 - Lined trucks required for hauling
 - Send debris to a Type II landfill
 - Concrete testing prior to removal of basement
- If structure is ‘safe to enter’:
 - Asbestos abatement company to abate hazards prior to demo
 - Air monitoring done during demolition

PART FOUR: ACTUAL DEMOLITION

Specific Requirements of demolition contractors:

- Request and obtain demolition permit
- File NESHAP notification, obtain DEQ clearance:
 - Two weeks prior to demo, if safe to enter
 - One day prior to demo, if an ordered demolition
- Post Notice on structure
- Abatement of hazardous materials (ACM)

Actual Demolition:

- Structure demolished and debris removed
 - Water down structures during demolition
 - May require local permit to connect to hydrants
 - Debris sorted and removed from site
 - Recycling, salvage and deconstruction favored
 - Basements removed
- Environmental monitoring/testing during demolition
 - Air monitoring during demolition
 - Concrete testing of basements:
 - if ‘ordered demo’ structures
 - testing for contaminants in the concrete
 - Open hole inspection and approval

Completion of Demolition:

- Vacant lot finished

- Lot leveled, compaction testing to be done on 25 % of lots, unannounced
 - Fencing removed
 - Sidewalks replaced
 - Curb cuts removed and replaced with curbing
- Hydroseeding – seasonal timing and type of grass/clover mix

Compliance documents:

- Site approval from permitting authority
- Photos of site 'after' demolition
- Review and submission of invoice for payment