



## **City of Fayetteville, NC**

# **Demolition and Clearance Program Guidelines**

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## **Program Summary**

The City of Fayetteville will, from time to time, make funds available for the demolition of structures that have been determined to be blighted or dangerous by the City of Fayetteville's Development Services Department according to North Carolina General Statutes 160D-1119. During the Development Services process, all owners and interested parties are notified of this program and informed how to apply. The application process for voluntary demolition of structures is administered by the City of Fayetteville's Economic and Community Development (ECD) Department. All proposed projects must be located within the Fayetteville city limits. In the case of City Council ordered demolitions, the property will have a lien placed against it for the cost of the demolition, staff time, and any directly related expenses such as asbestos testing and required environmental reports.

The ECD Department has established the following guidelines to administer the Demolition and Clearance Program:

### **1) Program Administration**

The Director of the Economic and Community Development Department is the program administrator. Property inspections will be conducted by the ECD Senior Housing Program Specialist to prepare work write-ups, order asbestos reports, and prepare an in-house cost estimate for removal. ECD will work through the City's Finance Department to bid all demolition contracts in accordance with 2 CFR 200.

#### *Davis Bacon and Section 3*

The ECD will determine if Davis Bacon Wage Act [29 CFR 5.2 "Construction, prosecution, completion, or repair"] or Section 3 [24 CFR 75.3(a)(2)(i)] apply to any project prior to submission to Finance for bid posting. Typically, these will be triggered by commercial properties at a \$2,000 threshold and \$200,000 threshold respectively.

### **2) Use of Funds**

Community Development Block Grant (CDBG) Funds may be used to cover all costs related to the demolition and clearance of eligible properties under 24 CFR 570.208(b).

### **3) Eligible Applicants (for Voluntary Demolition)**

Any property owner(s) whose structure is in a dilapidated condition, poses a health and safety problem in the City limits, and has been determined to be blight or dangerous by Development Services. The owner and all interested parties must agree to the demolition. The owner and all interested parties can have no outstanding fines or fees owed to the City of Fayetteville. Applicants may apply for a maximum of one (1) grant per three (3) year period. Upon completion of the demolition, the owners and interested parties will ensure that the property is maintained in accordance with all City Ordinances. Applications will be made via the City's website. Paper copies are available for download but will be replaced by the City's Neighborly Application portal soon.

#### *Grant*

Funds will be considered a grant if the application is submitted within fifteen (15) calendar days of the date listed on the Code Enforcement Hearing Order. Grants may be considered for nonprofit organizations providing services that benefit low- and moderate-income residents as defined by 24 CFR 570.201(e).

*Lien*

Applications submitted after fifteen (15) calendar days of the date listed on the Code Enforcement Manager Hearing Order will be subject to a lien placed on the property for the total amount of funding used in the demolition and clearance of the structure to include the cost of asbestos testing and removal, filing fees, advertising, and any other associated costs. If a lien is placed on the property, the Owner(s) will be notified of the total lien amount and the steps required to remove the lien from the property.

Applications are not required in the case of City Council ordered demolitions but may be used internally for record keeping purposes.

**4) Eligible Properties (Residential and Commercial)**

*Vacancy*

Any structure that has been owned for a minimum of twelve (12) months, has been vacant for twelve (12) months and is located within the Fayetteville City limits. The determination of vacant property is based on utility records requested by Development Services. If a property (residential or commercial) is determined to have been occupied within the prior 12 months, the Uniform Relocation Act may apply, and the property may be deemed ineligible at the discretion of the ECD Director.

*Slum and Blight Determination*

The property must be inspected and determined to be dangerous or blighted by the Code Enforcement Manager and issued a hearing order to repair or demolish.

*Legal Review*

The property must be reviewed by the City's Legal Department and determined to not have any outstanding liens, judgments, encumbrances, taxes, or pending litigations, that may jeopardize the City's position as a lien holder regardless of whether a lien is determined to be placed on the property. The process by which all owners and interested parties were properly served notice must be validated and confirmed.

*Target Areas*

No more than 30% of the total planned expenditure annually may be allocated to demolition and clearance of structures outside of targeted areas identified by the ECD to remain in compliance with 24 CFR 570.200(a)(3). Target areas may include HUD Low to Moderate Income areas and/or areas identified in approved redevelopment plans. Each property outside of the target areas will require approval by the ECD Director prior to approval of the application or funding of the project.

*Commercial Properties*

Commercial properties will be approved by the ECD Director on a case-by-case basis and may be denied for one or more of the following reasons:

- a. The total cost of the demolition will place the 30% allocation mentioned above in jeopardy.
- b. The total cost of the demolition will preclude the ECD from processing future demolitions within the same fiscal year.

**5) Environmental Review**

The use of CDBG funds requires adherence to 24 CFR Part 58 which describes the procedure for

creating an Environmental Review Record (ERR) of proposed projects. No funds may be expended until the ERR is completed. For commercial properties, this review requires the use of outside consultants to conduct a Phase I. If the Phase I Environmental Assessment (EA) indicates that there are Recognized Environmental Concerns (RECs) the property will require a Phase II EA at the discretion of the ECD Director. If the Phase II EA validates any or all RECs, then a mitigation or remediation plan is required. Each step of this process may disqualify the project from funding based on Section 6 above.

## **6) Required Documents**

In order to verify ownership and property eligibility, the following documents must be received prior to the finalization of the Owner's Authorization and Demolition Agreement.

- a. Completed by Owners and Interested Parties
  - i. Owner's Authorization and Demolition Agreement
  - ii. Copy of Owner(s) Government Issued identification (ex. Driver's License, Passport)
- b. Completed by City of Fayetteville Legal Department
  - i. Lien Holder and Heir Information
  - ii. Title Search
- c. Completed by ECD
  - i. Asbestos Testing Report
  - ii. Environmental Review Record
  - iii. Compliance with National Objective - Slum and Blight or Low/Mod Area Benefit
  - iv. Scope of Work and Procurement Records
- d. Completed by Development Services
  - i. Description of condition of property
  - ii. Hearing Order
  - iii. Demolition Order (if applicable)