

# **CDBG Code Enforcement and Demolition Program Policy Guidelines**



Adopted by Ordinance #9527-2016 and #101-2017  
Updated December 8, 2017

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# CDBG Code Enforcement and Demolition Program Activities

## Policy Guidelines

### Preface

The City of Alexandria's *CDBG Code Enforcement and Demolition Program* will be a function of the Community Development Department (CmDv) and funded through the CDBG funds, authorized by the Department of Housing and Urban Development (HUD). This program may also be funded with City General fund dollars at the discretion of City Council. The City of Alexandria, as authorized by the rules and regulations governing the proper administration of the CDBG programs, must adopt policies and procedures as outlined in this document, to the degree practical, for adequate, consistent implementation guidelines that conform to local, state and federal law.

The intent of the scope of work to be performed under this program is to address complaints concerning unoccupied / vacant / abandoned structures within the City limits to minimize blight and remove safety and health hazards within our community. The upkeep of these structures and lots is imperative to maintain the structure and property within the conditions defined in the current International Property Maintenance Code (IPMC) and City Ordinances. This maintenance effort impacts property values, potential development and growth, crime rate, fire calls and potential shelters for the homeless population. It is the Property Owners responsibility to maintain the property within code compliance.

In 2009, City of Alexandria hired J-Quad to perform a physical survey of the City to define areas of predominately low to moderate income families and areas of deterioration. This survey was adopted by City Council and accepted by HUD to define 5 Target Neighborhoods in 2010. These 5 Target Neighborhoods are the areas where the City's Community Development office focuses a minimum of 70% of its annual grant funds for spending.

### Article I - National Objectives

Every Code Enforcement and/or Demolition Clearance activity must satisfy one of the following National Objectives:

1. Code Enforcement (CE) – LMA (Low and moderate income (Low/Mod) area benefit)
  - a. LMA applies when property complaints are within the defined 5 Target Neighborhoods.
  - b. If outside 5 Target Neighborhoods, CE activity would be considered Slum/Blight Program Delivery.
  - c. The maximum spending cap of 70% of grant funds.
2. Demolition – SB (Slum and Blight)
  - a. *This National Objective must be use if there is no planned re-use of the property prior to the act of demolition.*
  - b. Property must also be defined in the 5 Target Neighborhood Areas.
  - c. The maximum spending cap is 30% of grant funds
3. Demolition – SBS (Slum and Blight Spot)
  - a. *This National Objective must be use if there is no planned re-use of the property prior to the act of demolition.*
  - b. Property must be defined as outside 5 Target Neighborhoods Areas.
  - c. The maximum spending cap is within the same 30% of grant funds mentioned in Article I.2.
4. Demolition – LMA (Low and moderate income area benefit)
  - a. *As of May 1, 2017, LMA can only be used as a National Objective when there is a planned re-use of the property prior to the act of demolition.*
  - b. Property must also be defined in the 5 Target Neighborhood Areas.
  - c. The maximum spending cap is within the same 70% of grant funds mentioned in Article I.1.

## Article II – State Statutes regulating Condemnation

The State of Louisiana has adopted State Statutes that regulate how a municipality can address dilapidated and dangerous conditions of properties. These regulations are to be adhered to in addition to any HUD and/or Federal regulations. The six specific statutes are attached at the end of this document. They are:

1. RS 33:4761 – Condemnation of buildings by all parishes and municipalities.
2. RS 33:4762 – Notice to Owner, hearing; notice filed with recorder of mortgages binds transferees.
3. RS 33:4763 – Decision of parish or municipal governing authority; order to demolish or repair.
4. RS 33:4764 – Appeal from decision.
5. RS 33:4765 – Compliance with decision; demolition by parish or municipality where owner fails to comply; notice; assistance of national guard.
6. RS 33:4766 – Lien and privilege for cost of demolition, removal and maintenance by parish or municipality; interest; attorney fees.

## PHASE ONE – Code Enforcement

### Article III – Code Enforcement Complaint

In general, Code Enforcement by CmDv is to track the complaint and manage the complaint until the complaint is resolved. The objective is to bring the property into code compliance.

Complaints are typically received from the general citizen who lives in this City. It can also come from a Community Leader, City Council member or a Neighborhood Group representative. A City Department, like SafeAlex or Public Work's Code Enforcement Department, may also report concerns.

The CmDv Staff that is responsible for parts of this process are the Demo Program Manager (DPM), Permit Tech (PT1), Secretary (PT2), Inspector (CBO) and the Department Administrator (ADM).

If the complaint is against a property located in the 5 Target Neighborhood Area as defined by the 2010 JQuad Study, the Code Enforcement Process is primarily considered a Low Mod Area benefit National Objective because it is addressing the slum / blight of the neighborhood. See Article I above.

1. DPM or PT registers a complaint by completing a *Complaint Receipt Notification Form*. This can be made in person, over the telephone, via email or fax. The person filing the complaint must be willing to provide their address, name and phone number and explain the reason for the complaint. A project file is made in My Permit Now (MPN).
2. DPM schedules the CmDv Inspector to visit the site to verify the complaint. This inspection is called a *CDA Complaint Verification inspection*.
  - a. Inspector takes pictures of the structure and property.
  - b. Inspector measures from center of structure on the property to the center of nearest intersecting street so that the City's Address Agent can verify the legal address of the property.
  - c. If the complaint is valid, the project will move through the remaining steps.
  - d. If the complaint is not valid, the DPM will note the file and close the status.

3. If the complaint is valid, while still onsite, the CmDv Inspector shall also perform a *CDA Deficiency Assessment inspection* which is a checklist of items that are not in compliance with the current adopted IPMC. This checklist will assist the Inspector in determining if the property should be rehabbed or demolished. This decision may ultimately be presented to City Council for condemnation consideration. However, the owner is afforded time to decide how they would like to address the code violations before any further action is taken.
  - a. The *CDA Deficiency Assessment inspection* checklist also requires the Inspector to rank the severity of the damage to the structure. A ranking of 1 is high priority and a ranking of 5 is low priority. Typically, demos are ranked from 1 to 3 and rehabs are ranked from 4 to 5.
  - b. If the cost of repairs to the structure are greater than 50% of the structures current Parish Tax Assessor's value, then the Inspector will recommend demolition. If the structure is more than 50% burned, then the Inspector will recommend demolition. This is in accordance with LA RS 33:4762.D.2.
  - c. If the cost of repairs is less than 50% of the structures current Parish Tax Assessor's value, then the Inspector will recommend rehab. If the repairs are mostly cosmetic, then the Inspector will recommend rehab.
4. DPM will check utility records in PCIS software (in the production database) to verify last known utility date and *flag* utilities so that from this point forward, the utilities cannot be turned on and no one can move into the property without contacting the CmDv Office first. This affords CmDv an opportunity to have the Property Owner bring the structure into compliance. The flag shall read:  
*Utilities shall not be reconnected at this location without the approval of the Community Development Department. This location is under review for code violations.*
5. DPM will perform a property ownership research by using the tax assessors records online in reference to the subject property. All documents including mortgage and/or redemption records required to determine ownership shall be uploaded to the project file.
6. If burned structure, the DPM shall also collect a Fire Report from the City's Fire Prevention Office to add to the file.
7. DPM shall send certified mail notice to the property owner(s) of the CmDv Inspector's recommendation to either:
  - a. rehab and sends the *Structure Complaint Validation Notice for Rehab -OR-*
  - b. demolish and sends the *Deficiency Assessment Inspection Notice*

The two options are in accordance with LA RS 33:4763.A. The letter also has the *Deficiency Assessment checklist* attached noting only the code violation items. The last page of the notice is the *Property Compliance Intent Form*.

8. The Owner has thirty (30) calendar days to respond to the DPM and/or submit the signed *Property Compliance Intent Form* of acknowledgement. This is to afford the owner time to obtain a permit to either rehab or demolish the property at their own expense. The objective is to bring the property into code compliance.

- a. If the recommendation is for rehab, after the *Structure Complaint Validation Notice for Rehab* is sent, no further action is taken by CmDv until another complaint is filed against the property. The process would then start over until it reaches a point of deterioration that demolition is recommended. Any *Rehab Permit* issued will be issued by the *Construction Development Department* and all work must be brought into current code compliance with the *International Residential Code (IRC)*. The Rehab Permit is valid for six (6) consecutive months with an opportunity for an extension from the Building Official. The typical scope of work for a Rehab Permit is:  
*Entire structure and property conditions must completely be brought up to current IRC codes and City Ordinances before the permit expiration date. After all passed inspections, a CoC will be issued in order to allow legal occupancy of the structure and permanent utility connections.*
  - b. If the recommendation is for demolition, any *Demo Permit* issued will be issued by the CmDv and all work must be brought into current code compliance with the *IPMC* and City Ordinances. The Demo Permit is valid for thirty (30) calendar days with an opportunity for up to two (2) thirty (30) calendar day extensions from the Building Official / CmDv Administrator. The typical scope of work for a Demo Permit is:  
*(Per Bid Specifications) Each structure shall be completely removed to including: piping, wiring, plumbing, mechanical; steps, concrete slabs, piers, footings; driveways, parking surface areas; dispose of all trash, debris, dead trees; fencing; lot shall be graded to insure proper drainage towards the street; grading/fill shall prevent low spots capable of holding water; stabilize site with seed or sod for a minimum of 10 feet across the entire property line along City street; lot shall be mowed upon completion.*
9. Once a complaint is filed on a property, it shall be required that the property owner hire a State Licensed Contractor who is also registered with the City of Alexandria's Construction Development Department. The reason for this is that the work is to be completed in a professional manner, having all of the resources and equipment to meet all of the scope of work requirements and inspected as required in the permit issued.
    - a. It has been past experience that when layman property owners demolish structures, the debris is typically piled in the ditch or street of the subject property. This causes drainage issues which has the potential for flooding adjacent properties.
    - b. In addition, the City is then responsible for removing and disposing of debris. There have also been times where the debris was burned onsite, which is a violation of City Ordinances.
  10. State Statute LA RS 33:4762.3.C allows municipalities provisions for removal of structures in cases of grave public emergency. This measure will only be used on case by case basis where properties meet the defined criteria.

## Article IV – Condemnation Public Hearing by City Council

This step is still under the umbrella of the Code Enforcement process, however, is the next step in officially having the property condemned in order to begin the demolition process. The objective remains bringing the property into code compliance. These steps are used only when demolition is being recommended by the Inspector.

1. Should the certified mail items be sent in the above processes be returned to CmDv unsigned or not deliverable, those property owner contacts are assigned to an Absentee Attorney (AA) in accordance with

LA RS 33:4762.A.3.B. There is an *Appointment of Absentee Attorney* form letter to be signed by the Mayor for each property to be represented. Allow seven (7) business days to obtain the Mayor's signature and return contracts.

2. If Owner(s) do not respond within thirty (30) calendar days or fails to comply with notices listed above, a Public Hearing date is scheduled for City Council to consider condemning the property. These are only properties where the Inspector's recommendation is for demolition. This is in accordance with LA RS 33:4762.A.1.
3. DPM must limit the number of addresses for a Condemnation Public Hearing to 25 properties per the request of the City Council. This is a more manageable number to deal with in a shorter amount of time.
  - a. DPM must reference the severity ranking by the Inspector, noted in Article III.3.a, in order to use the most dangerous structures to compile the list of 25 properties for the public hearing. The intent is to take the most hazardous structures down first for the health, safety and welfare of the public.
  - b. As a general practice, CmDv should only present a list of properties that they can feasibly demolish that fiscal year based on the amount of funds. If properties are condemned but not demolished, it increases the City's liability, in the event there is an accident on the property.
4. DPM shall prepare an Agenda Fact Sheet and send it to City Council requesting to set the public hearing date at least forty-five (45) calendar days in advance of the actual hearing. This is because the request to set the hearing date must be introduced and a Resolution passed to authorize the Public Hearing, then the actual Public Hearing will be held at the specified date. Attachments to the Agenda Fact Sheet shall include the list of properties to be considered and two pictures of each structure and a map. Allow seven (7) business days to obtain the Administration's authorization to be added to the City Council agenda.
5. DPM shall prepare the certified mail letter for the *Rule to Show Cause for Condemnation at a Public Hearing* and send, providing the property owner at least ten (10) calendar day notice before the hearing. This letter is in accordance with LA RS 33:4762.A and is recorded at the Parish Clerk of Court's Office in accordance with LA RS 33:4762.D. DPM shall collect copies of the returned certified mail receipt cards, whether signed or not, as confirmation of notice sent.
6. DPM shall submit a Public Hearing Advertisement in the local newspaper, the Town Talk, listing the properties to be considered for condemnation. The ad must post a minimum of ten (10) calendar days prior to hearing date. The ad is typically run two times before the hearing.
7. DPM shall submit a Public Hearing Advertisement to the City's webpage, listing the properties to be considered for condemnation. The ad must post a minimum of ten (10) calendar day prior to hearing date.
8. If any property owners are assigned to an AA, the DPM shall compile those letters and send to the appointed AA via certified mail (or served by City Marshall) at least ten (10) calendar days prior to the hearing. However, DPM shall try to submit the list as soon as possible to allow the AA time to process all of the addresses, which takes approximately thirty (30) calendar days. If delivery is made by City Marshall, there shall be a letter acknowledging delivery receipt signed and date by the Marshall and uploaded in the associated project file. This is in accordance with LA RS 33:4762.A.3.

9. DPM shall verify the property ownership the day before Condemnation public hearing to be able to provide the Council with an update and send appropriate Rule to Show Cause for Condemnation Notice. If the ownership has changed, this may cause a delay or continuance of the Condemnation process for that particular property. The DPM may ask to have the property removed from the agenda, if applicable.
10. CmDv Inspector visits the site a minimum of one (1) day before the hearing to take new pictures and verify that all structures presented to City Council are still standing and have not been demolished by Owner(s) without permits. This is called a *CDA Public Hearing inspection*. If there is a change in the status of the structure, the Inspector shall investigate and will have to report the change at the Council hearing.
  - a. In the event the Inspector were to find the structure has been rehabbed and potentially occupied without knowledge or consent of CmDv, then the Inspector shall contact the Contractor and property owner to discuss the terms of the Condemnation Order. The Inspector may need to ask for a Continuance on this property to afford time to have all work properly inspected. If found to be in compliance with the current IRC, the Inspector can then request to have it removed from the Condemnation list at the next delayed / Continuance Public Hearing.
11. DPM and/or Inspector must attend the City Council hearing to report recommendation for Condemnation and to answer any questions that might arise during Condemnation Hearing. Property owners may attend to plead their hardship and request an extension as needed. This is in accordance with LA RS 33:4762.A.1. The AA must appear to represent the Owners who could not be contacted by CmDv. Council makes final ruling.
12. City Council can also grant an extension / Continuance to the Condemnation, allowing the property owner additional time to secure a rehab or demo permit to address the violation with personal funds. The Continuances are typically issued for 30, 60 or 90 days. This is in accordance with LA RS 33:4765.A. Any inspections made to provide an update for a Continuance hearing is called a *CDA Continuance inspection*. This inspection shall be made a minimum of one (1) day prior to the Hearing.
13. The property owner does have the right to appeal within five (5) calendar days of the Council's decision in accordance with LS RS 33:4763.B and RS 33:4764. This process notification must be read aloud during the Council's public hearing so that it is on record as the method of notification to the property owner.
14. Once a property is officially condemned by Council, CmDv continues to allow the property owners the ability to hire licensed Contractors to pull Demo Permits until the point where CmDv must submit Work Orders for asbestos testing services. This timeframe is typically thirty (30) calendar days. The goal here is to demolish as many properties as are condemned at the owner's expense and avoid filing liens against property. This is in accordance with LA RS 33:4765.A.

## Article V – Condemned Resolution by City Council

This step is still under the umbrella of the Code Enforcement process, however, is the next step in officially having the property condemned. This is required in order to begin the demolition process. The objective remains bringing the property into code compliance.

1. Once action is officially authorized by Council, a *Resolution to take action on Condemnation* will be issued.
2. DPM prepares the certified mail letter stating the *Condemnation Order Notice* and sends to owner(s) and/or AA. This is for only the properties that are condemned at this hearing.

3. If there was a Continuance granted by City Council, it is the property owner's responsibility to remember and/or inquire as to the date of the Continuance hearing and to appear. No other contact or notification is required by CmDv, however, if CmDv has the property owner's email or phone number, the DPM may elect to remind the property owner of the hearing date.
4. The DPM shall have the City Council Resolution of the Condemnation Order recorded at the Parish Clerk of Court's Office in accordance with LA RS 33:4762.D.1. Once filed against the property owner(s), notice shall be deemed notice to all subsequent transferees.
5. The CmDv Secretary processes the invoice from AA for the owners that were represented.

## Article VI – Code Enforcement Activity Program Delivery Costs

In effort to keep accounting simple in IDIS, all Program Delivery Costs will be accounted for within the actual Code Enforcement Activity drawn in IDIS. All of Phase One, from the receipt of the complaint (Article III) up to filing the Condemnation Order (Article V) is considered Code Enforcement activity. By default, properties inside the 5 Target Neighborhood Area of blighted properties are accounted as Code Enforcement Program Activity costs. However, if the property is not inside the 5 Target Neighborhood Areas, it will be treated as Program Delivery Costs for Demolition / Clearance – Spot Basis. Examples of these types of costs are:

1. All certified mail fees are charged as Program Delivery Costs for Code Enforcement and may be used to file a lien against the property.
2. All AA fees are charged as Program Delivery Costs for Code Enforcement and may be used to file a lien against the property.
3. All newspaper notice publication fees are charged as Program Delivery Costs for Code Enforcement and may be used to file a lien against the property.
4. All staff time and/or cost of materials to execute any of the steps above are charged as Program Delivery Costs for Code Enforcement and may be used to file a lien against the property.

Typically, if the owner proceeds with demolishing the property at their own expense, these "program delivery" potential fees are waived from a lien holding against the property. This is to incentivize the owner to take action on the structure so that the City does not have to spend public / HUD funds. Only if the City ends up demolishing the structure are the fees enforced and added as a lien against on the taxes against the property. The property owner can pay these fees at any time during this process to either avoid the lien being filed or to remove the lien after recordation.



## PHASE TWO – Demolition / Clearance

### Article VII – Identifying the Structure

This step is under the umbrella of the Demolition / Clearance process, as it is required in order to begin the demolition process. The objective changes to removing the blighted structure for the health, safety and welfare of the public.

The act of demolishing structures within the 5 Target Neighborhood Area as defined by the 2010 JQuad Study, supports the Code Enforcement Process as Low Mod Area benefit National Objective because it is the solution to the slum / blight of the neighborhood. However, the Demolition itself meets the Slum / Blight National Objective only and has a maximum spending cap of 30% of grant funds. Only when the City takes possession of the property and has a planned re-use can the Low Mod Area (LMA) benefit apply as the National Objective. See Article I.

1. The CmDv Inspector will post a copy of the Condemnation Order on the front of the structure. This inspection is called the *CDA Condemnation Identification inspection*. This is in accordance with LA RS 33:4765.C.2. This informs everyone that the structure is not safe for human occupancy and all belongings must be removed as the property will be demolished. The Inspector must take a picture of the placard after it is posted. A minimum of ten (10) calendar days of notice is required.
  - a. The CmDv Inspector will also spray paint the address number of the structure in bright orange (or other contrasting color) on the front of the structure. This will help identify the structure to potential demolition / Contractors interested in bidding on the job, as well as for other Departments in the City for the disconnection of utilities.
  - b. The CmDv Inspector will also spray paint an "X" in bright orange (or other contrasting color) on the any item on the site that should also be removed by the Demolition Contractor. For example: a fence, dead tree, concrete slabs, underground tanks, catch basins, etc. This will help identify additional features for removal to potential demolition / Contractors interested in bidding on the job
2. DPM will send requests to disconnect all utilities to the structure to all related utility Departments. Allow a minimum of five (5) business days for the disconnect verification from each Department. The standard notice to the Utility Departments shall read as follows:  
*Services will be disconnected as follows: Electric – pull meter; cut down and remove OH services; UG services should be disconnected and cut wire at ground level. Gas – pull meter and riser; shut off at the curb stop and disconnect service from curb stop. Water – pull meter; shut off at the corporation stop and disconnect service from corporation stop. Wastewater – no action required.*

### Article VIII – Environmental Review

This step is under the umbrella of the Demolition / Clearance process. HUD requires notifications in a nine (9) step process to determine if the proposed demolition will adversely affect certain protected / endangered environmental classes. More information can be found in Basically CDBG Manual provided by HUD and at 24 CFR Part 58.35(b).

1. DPM shall begin the Environmental Review (ER) Checklist for all properties to be demolished and paid for with HUD funds. There are typically nine (9) steps in an ER, with one (1) step being to prepare and mail a

list of the properties to potentially be demolished with a photo and map to State Historic Preservation Office (SHPO). Maps and other documentation are required. All Environmental Review steps must be entered into HEROS within the IDIS software. Copies of the entire Environmental packet shall be uploaded into the associated MPN project file. DPM should start this process as soon as the properties are identified for the Condemnation Public Hearing.

- a. Residential properties with no negative environmental impacts and not in the floodplain are typically “exempt”. This is the easiest and fastest process in HEROS. Once entered, CmDv can spend the HUD funds immediately to accomplish the task.
  - b. Residential properties located in the floodplain will not be “exempt” in HEROS, but instead “categorically excluded subject to”. Therefore, allow 6 to 8 weeks to receive clearance from HUD to demolish these. This includes a Request for Release of Funds (RROF) advertised in the newspaper, the City’s Certifying Officer’s signature and to wait on an Authorization to Use Grant Funds (AUGF) from HUD. See the actual advertisements for specific number of days that notice must be provided to the public.
  - c. Commercial properties shall require an Environmental Review (EA) if being paid for with HUD funds, which is a higher level of review. This process takes more time to prepare and process in HEROS. It would be advantageous for the City to plan to demolish all condemned, commercial properties with City General Fund money so that the EA review is not applicable.
2. In July 2015, the Mayor signed a formal “Delegation of Authority to Act as Certifying Officer for NEPA Environmental Clearance” document. The basically delegated the authority to sign as the Certifying Officer from the Mayor to the City Attorney, Charles Johnson. This document was submitted and accepted by HUD, therefore, either party can sign any RROF’s as required by HEROS.
  3. Any ER’s completed in HEROS are valid for five (5) calendar years, therefore, it is advantageous to start as soon as possible with the data entry. If the projects ultimately get funded with City money, there is no adverse effect. The HEROS file just has to be updated to acknowledge the same.
  4. DPM shall complete this process to determine the project environmental classification.
    - a. Historic Preservation (36 CFR Part 800)
    - b. Floodplain Management (24 CFR Part 55)
    - c. Wetland Protection (3 CFR 2, 5)
    - d. Sole Source Aquifers (40 CFR Part 149)
    - e. Endangered Species Act (50CFR Part 402)
    - f. Wild and Scenic Rivers Act (16 USC 1271, 7.b & c)
    - g. Coastal Zone Management Act (16 USC 1451, 307.c & d)
    - h. Clean Air Act (40 CFR Parts 6, 51, 93)
    - i. Farmland Protection Policy Act (7 CFR Part 658)
    - j. Environmental Justice (EO 12898)
    - k. Noise Abatement & Control (24 CFR Part 51, Subpart B)
    - l. Explosive & Flammable Operations (24 CFR 51, Subpart C)
    - m. Toxic Chemicals & Radioactive Materials (24 CFR Part 58, 5.i & 2)
    - n. Airport Clear Zones & Accident Potential Zones (24 CFR Part 51, Subpart D)

5. The four environmental classifications are:
  - a. Exempt Activities not Subject to 58.5
  - b. Categorically Excluded Activities Subject to 58.5
  - c. Activities Requiring and Environmental Assessment
  - d. Activities Requiring Environmental Impact Statement
  
6. DPM must enter all related Environmental data and supporting documents into HEROS in the IDIS software, prior to advertising any addresses for Demolition Services public bid.

## Article IIX – Asbestos Testing

This step is still under the umbrella of the Demolition / Clearance process. This next series of steps is to begin to define the scope of work in regards to abatement requirements for the physical demolition and removal of the structure. The objective is to remove the blighted structure for the health, safety and welfare of the public.

1. DPM sorts the list of Condemned properties by the severity ranking. Those properties burned and with the highest severity ranking are selected for processing first. The intent is to remove the most dangerous structures first with the limited funds provided annually. DPM shall estimate an average cost of \$9,000 per structure for budget planning purposes.
  - a. At the time of this document in 2017, the average budget is \$7,600 per property for abatement and demolition services. This amount will be used in order to quantify the most dangerous structures and number of properties for testing, based on the limited CDBG Demolition / Clearance budget proposed annually.
  - b. At the time of this document in 2017, the Asbestos Test Report alone is \$1,400 each. The current company being hired to perform these tasks does provide a bulk discount for multiple properties that are ordered for testing at one time, to a low as \$925 each.
  
2. DPM submits Work Orders for the Asbestos Test Report / Hazard Survey for each of the condemned properties as required by DEQ and EPA. The Work Orders are sent to the company that has been awarded the Citywide bid for all Lead and Asbestos Testing Services. Asbestos Survey Reports take approximately two weeks to be completed and sent to CmDv.
  - a. The State has adopted more stringent regulations which subject condemned structures to LESHAP. The Asbestos LESHAP (LAC 33:III.5151) defines:
    - i. *Facility as: any institutional, commercial, public, industrial, or residential structure, installation or building (including any structure, installation or building containing condominiums or individual dwelling units operated as a residential cooperative, and residential buildings having greater than four dwelling units); any ship; and any active or inactive waste disposal or ACD site. Residential buildings that have four or fewer dwelling units are exempt from the provisions of this Subchapter, except those residential structures that are intentionally demolished or renovated as part of a commercial or public project, such as urban renewal or highway right-of way projects and those that are intentionally burned.*

*ii. Urban Renewal as: demolitions or renovations of blighted or condemned properties authorized or conducted by government entities (city, parish, or state) as part of commercial or public projects.*

- b. It is the City's Professional Engineers (Thomas David, PE) interpretation, from July 2017, is that when City Council randomly condemns privately owned properties, only in the event where more than two houses are being demolished within a couple of contiguous City blocks / area within the same time period, should asbestos testing be *required*. The intent is to not release a significant portion of asbestos toxins into the air at one time to potentially impair neighboring properties. The justification is that these demolitions are performed by private Contractors, often in succession rather than simultaneously, and the work is not a City urban renewal or City project because the City does not own the property.
  - c. It is CmDv's intent to demolish the most dangerous condemned structures in the City irrelevant of their location. However, CmDv is of the opinion that when multiple properties are removed within a close proximity, it has a larger, more positive impact on that neighborhood.
  - d. These are all considerations for whether or not asbestos testing services shall be required. See the CmDv Administrator for guidance.
3. The Asbestos Test Report / Hazard Survey shall confirm whether hazardous materials are found or not, what type of AAC-2 form is required and what type of abatement, if any, is required. There are different threshold of asbestos containing materials, which translates into different levels of abatement requirements.
- a. The report shall also contain the applicable AAC-2 (a) or (b) form. This form is required to be completed by the Contractor, then submitted to DEQ and CmDv a minimum of ten (10) calendar days before the start of work.
  - b. The AAC-2 (a) form is for Notification of Demolition and Renovation and Asbestos Contaminated Debris Activity Form. This form indicates that asbestos containing materials (ACM) are present that are above the established thresholds and must be properly abated. This form also requires LDEQ to provide an ADVF form to the Contractor after it has reviewed the AAC-2(a) form. See the form for specific details.
  - c. The AAC-2 (b) form is for Asbestos Negative Declaration, Demolition Notification Form. This form indicates there is no asbestos containing materials (ACM) or when there is ACM below the established thresholds allowed in LAC 33:III.5151.F.1. Any amount of ACM must still be properly removed or abated per Federal and State law. See the form for specific details.
4. The CmDv Inspector shall accompany the hired Asbestos Tester on each site visit. This is to ensure they have entry, answer any questions and find out if the property is positive or negative for asbestos. This inspection is called the *CDA Hazard Testing inspection*. This helps identify which negative properties may need to be planned for demolition first in order to demolish the most structures with the limited budget. However, these findings are not official until the results of the actual Asbestos Test Report are provided by the hired Tester.

## Article IX – Demolition Bids

This step is still under the umbrella of the Demolition / Clearance process. This step begins the solicitation of bids for the physical demolition and removal of the structure. The objective is to remove the blighted structure for the health, safety and welfare of the public.

1. DPM sets the date for Demolition Bid Opening approximately 4 to 6 weeks out.
2. A minimum of one (1) business day prior to advertisement being sent to the local newspaper and website, the CmDv Inspector visits the site to verify that Owner(s) haven't illegally demolished the structure. This inspection is called the *CDA Advertisement inspection*. If they have, the property address is removed from the advertisement list.
3. The bid packet shall consist of:
  - a. Cover Page;
  - b. Submittal Conditions (Attachment #1);
  - c. General Conditions (Attachment #2);
  - d. Scope of Work (Attachment #3);
  - e. Definitions (Attachment #4);
  - f. Asbestos Summary, Guidelines and Best Practices Guide (Attachment #5);
  - g. Bid Proposal Price Sheet (Attachment #6; and
  - h. Subject Property Identification which includes two (2) photos of the structure, a map, the Asbestos Testing Survey Report, required LDEQ AAC-2 form, and the Condemnation Order Resolution (Attachment #7).
4. DPM publishes the scope of work and the list of addresses to be demolished for a minimum of fourteen (14) calendar days, however, ads typically run for thirty (30) calendar days. A bid advertisement is posted in the Town Talk and on the City website. The DPM may also email the CmDv registered Demolition Contractors the Demolition Bid Package notice and link.
5. The entire bid package is uploaded to the City's webpage. This information must be sent to the agency that manages the City's webpage (currently Kinetix), by 10:00 am, a minimum of one (1) business day prior to the ad posting in the local newspaper.
  - a. [www.cityofalexandria.com/rfp](http://www.cityofalexandria.com/rfp): A blue tab will be added listed by the Bid #. This is where all Contractors should be directed to print the bid packets.
6. The scope of work published in the bid shall contain the Asbestos Testing Report with the appropriate AAC-2 form.
7. The scope of work published shall also include a copy of the Condemnation Order Resolution, with the book and page stamped seal. DEQ requires that this be submitted for all properties being demolished by a municipality. It shall be inserted after the AAC-2 form.
8. The submitted bid proposal must include all associated costs for all demolition activity, including the abatement of materials, the abatement contractor costs and legal debris dumping, if applicable.

9. Public Bid Opening is held on Friday at 9:am in the CmDv Conference Room on the third floor at 625 Murray Street. The public is invited to attend. The CmDv Inspector will open the bid packages and read bids aloud. The DPM will record the bid proposals on the Bid Tab Sheet. The Administrator will be present to witness and oversee the process. In the event that one of the CmDv staff is unable to attend, the Administrator may assign another staff member to participate in their absence. All proper procedures for bid opening must be strictly adhered to since this is a critical step in the process.
10. In order for a Contractor to participate in the bid process, they must first register at least five (5) business days in advance of the bid opening with the COA CmDv Office. This is to ensure they meet local, state and federal license and insurance requirements as well as other criteria. A Contractor Registration Packet can be downloaded by visiting:
  - a. [www.cityofalexandria.com/community-development](http://www.cityofalexandria.com/community-development): At the very bottom of the page, listed as CmDv Contractor Qualification / Registration Application.
11. DPM shall email a copy of the Bid Tab Sheet, indicating the lowest bid to be awarded on each structure, to all Contractors who submitted a bid. If the Contractor does not have email, they may pick up a copy of the Bid Tab upon request. Bid Tab sheets may not be released until the DPM has ensured that all documentation is correct and the Contractor meets all Department and State requirements. The Bid Tab Sheet shall be released within ten (10) business days after bid opening.
  - a. If someone who has not submitted a bid but wishes to get a copy of the Bid Tab Sheet, they must submit a written records request to the DPM, in order to be issued.
12. The cover letter to the Bid Tab Sheet shall also state the date and time of contract signings for all awarded bidders. Typically, this date should be scheduled within three (3) business days of the award notification.
13. DPM verifies that all utility disconnect verifications are confirmed and uploaded in the project file.

## Article X – Demolition Process

This step is still under the umbrella of the Demolition / Clearance process. This step begins the bid award for the physical demolition and removal of the structure. The objective is to remove the blighted structure for the health, safety and welfare of the public.

1. DPM shall prepare Demo Contracts for signatures.
2. A minimum of one (1) business day prior to the scheduled contract signings, the CmDv Inspector shall schedule a *CDA Contract inspection*, again to ensure that the structure has not been illegally demolished prior to entering into a contract. If it has been removed, the contracts for that location shall be destroyed, not signed and withdrawn for the Bid Tabulation Sheet Award notification, in accordance with the Bid Packet provisions.
3. The awarded Contractor shall sign the contract first on the date provided in the Bid Tabulation Sheet notification. The CmDv Secretary shall notarize all required signatures.
4. The Contractor shall pay the \$100 Demo Permit fee at the time of contract signing but the Permit itself will not be signed or issued at this time.

5. Contractor signed contracts will then be sent to the Mayor for signature. Allow seven (7) business days to obtain the Mayor's signature and return contracts. Contracts shall not be considered fully executed and enforceable until the Mayor has signed the contracts.
6. The CmDv Secretary shall request a purchase order in the City's Banner software for the amount awarded on each demo contracts. The Administrator and/or Division Director must approve the PO request. Allow three (3) days for a PO number.
7. DPM shall send certified mail the *Demolition Notice* which states that demolition action to take place no sooner than ten (10) calendar days from the mailing of the notice. This is in accordance with LA RS 33:4765.C.1. This is to provide notification to Owner(s) to remove any personal belongings from address. This is called the *CDA Demo Notice inspection*. This notice is also posted on the structure, by the CmDv Inspector, to notify any illegal inhabitants in accordance with LA RS 33:4765.C.2.
8. At any time after the Contractor signs the Demolition Services contract but before the Demolition Permit is issued, the Contractor shall be responsible to schedule the *CDA Site Preconference inspection* a minimum of three (3) business days prior to the start of work. Inspector meets the awarded Contractor out at each property to verify location/structure/address to be demolished and discuss the scope of work specific to that property.
9. Contractor begins to physically demolish the property after the Demolition Permit is signed by the Contractor and issued by DPM.
  - a. The Demolition Permit shall act as the *Notice to Proceed*, therefore, special attention must be paid to make sure the demolition activity is truly ready to begin.
  - b. Permits cannot be signed or issued until after the Mayor's signature on contracts has been received.
  - c. The Demolition Permit shall be held by the DPM until all required documentation has been submitted and the LDEQ ten (10) day review time has passed. Other documentation could be: completed AAC-2 forms, ADVF's, insurance certificates, etc.
  - d. The Demolition Permit must be signed by the Contractor and must post the correct issuance and expiration date. DPM can email the permit to the Contractor for signature, after all confirmations are in place. The Contractor, however, cannot start work until the DPM has received the signed Permit. This is typically ten (10) to fifteen (15) calendar days after contract signing.
  - e. The second page of the Demolition Permit will list the required inspections. DPM is responsible to review these with the Contractor at the time of issuance.
10. If abatement is required per the AAC-2 form, the Contractor is responsible to coordinate that process with the Abatement Contractor and/or subcontractor. A separate inspection is required by the Contractor on the day the abatement work is to begin. This is called a *CDA Abatement Removal inspection*. This is to provide the City with assurances that the property was properly abated according to the bid packet.
11. After demolition, the Contractor must request a *Demolition Final inspection*, where the Inspector goes out to take a clean lot picture to verify demolition was completed according to the bid specifications. A *Certificate of Completion* is issued to the Contractor once the *Demo Final inspection* passes.

12. Contractor submits an invoice as request for payment to CmDv secretary once a *Certificate of Completion* has been issued. Other documents that shall be required by the Contractor to request payment, shall be: legal dump tickets, and proof of abatement report by Abatement Contractor for all AAC-2(a) forms.

## Article XI – Demolition / Clearance Activity Program Delivery Costs

In effort to keep accounting simple in IDIS, all Program Delivery Costs will be accounted for within the actual Demolition / Clearance Activity drawn in IDIS. All of Phase Two, from the structure identification of the Condemnation Order (Article VII) up to filing the Cost lien (Article XII) is considered Demolition / Clearance activity. By default, properties inside the 5 Target Neighborhood Area of blighted properties are accounted as Demolition / Clearance Program Activity costs. However, if the property is not inside the 5 Target Neighborhood Areas, it will be treated as Program Delivery Costs for Demolition / Clearance – Spot Basis. Examples of these types of costs are:

1. All certified mail fees are charged as Program Delivery Costs for Demolition / Clearance and may be used to file a lien against the property.
2. All AA fees are charged as Program Delivery Costs for Demolition / Clearance and may be used to file a lien against the property.
3. All newspaper bid advertisement notices publication fees are charged as Program Delivery Costs for Demolition / Clearance and may be used to file a lien against the property.
4. All staff time and/or cost of materials to execute any of the steps in Phase Two above are charged as Program Delivery Costs for Demolition / Clearance and may be used to file a lien against the property.

Typically, if the owner proceeds with demolishing the property at their own expense, these potential fees are waived from a lien holding against the property. Only if the City ends up demolishing the structure are the fees enforced and added as a lien against on the taxes against the property. The property owner can pay these fees at any time during this process to either avoid the lien being filed or to remove the lien after recordation.

## PHASE THREE – Cost Lien

### Article XI – Cost Public Hearing by City Council

For HUD accounting purposes, this step is still under the umbrella of the Demolition / Clearance process. The City must provide owners with an opportunity to be heard prior to demolition liens being filed against their City property taxes. They also have the opportunity to pay those liens at any time after the Phase Two Demolition Process and costs are compiled, in effort to avoid the lien.

1. DPM is responsible to compile all costs incurred to date by the City to demolish a specific property. DPM shall work with CmDv Secretary to review all invoices to accomplish this task. The data shall be entered into the Funding Source chart located in MPN in each project file.



2. The owner may pay these costs directly to the CmDv Office at any time prior to filing of Cost lien.
3. If Owner(s) fails to pay the City's costs incurred to demolish a property, a Public Hearing date is scheduled for City Council to consider filing cost liens against the property. DPM shall prepare an *Agenda Fact Sheet* is sent to City Council requesting to set the public hearing date at least forty-five (45) calendar days in advance of the actual hearing. Attachments shall include the list of properties to be liened and a total demo cost incurred for each structure.
  - a. The costs shown will be actual costs incurred to date with a disclaimer stating:  
*The actual amount filed for lien may be increased slightly for additional expenses, incurred from this date through the final date of lien filing, per Municipal Code Article IV, Section 7-127.3.*
4. DPM prepares and sends certified mail *Cost Public Hearing 10-Day Notice Rule to Show Cause Notice*, providing the property owner(s) at least ten (10) calendar days notice before the hearing. This is in accordance with LA RS 33:4766.C. The *Cost Public Hearing 10-Day Notice Rule to Show Cause Notice* shall include a *Statement of Demo Cost Affidavit* to disclose the itemized costs incurred in accordance with LA RS 33:4766.A.2. The *Statement of Demo Cost Affidavit* is signed by the DPM or CmDv Administrator.
  - a. The *Statement of Demo Costs Affidavit* shown will be actual costs incurred to date with a disclaimer stating:  
*The actual amount filed for lien may be increased slightly for additional expenses, incurred from this date through the final date of lien filing, per Municipal Code Article IV, Section 7-127.3.*
5. DPM must limit the number of addresses for a Cost Public Hearing to 25 properties per the request of the City Council. This is a more manageable number to deal with in a shorter amount of time.
6. DPM shall submit a Public Hearing Advertisement in the local newspaper, the Town Talk, listing the properties to be considered for cost. The ad must post a minimum of ten (10) calendar days prior to hearing date. The ad is typically run twice before the hearing.
7. DPM shall submit a Public Hearing Advertisement to the City's webpage, listing the properties to be considered for const. The ad must post a minimum of ten (10) calendar days prior to hearing date.
8. If any property owners are assigned to an AA, the DPM shall compile those letters and send to the appointed AA via certified mail (or served by City Marshal) at least ten (10) calendar days prior to the hearing. However, DPM shall try to submit the list as soon as possible to allow the AA time to process all of the addresses, which takes approximately thirty (30) calendar days. If delivery is made by City Marshall, there shall be a letter acknowledging delivery receipt signed and date by the Marshall and uploaded in the associated project file. This is in accordance with LA RS 33:4762.A.3.
9. DPM shall re-verify the property ownership the day before Cost public hearing to be able to provide the Council with an update and send appropriate Rule to Show Cause for Cost Notice. If the ownership has changed, this may cause a delay or continuance of the Cost process for that particular property.
10. DPM and/or Inspector must attend the City Council hearing to report recommendation for Cost and to answer any questions that might arise during Cost Hearing. Property owners may attend to plead their hardship as needed. This is in accordance with LA RS 33:4766.C. The AA must appear to represent the Owners who could not be contacted by CmDv. Council makes final ruling.

11. City Council is not required to provide an extension/ Continuance to the Cost since the debt can be paid at any time before or after the lien is filed.
12. The property owner does not have the right to appeal the Council's decision per State Statute LA RS 33:4766 as these are actual costs incurred by the City.
13. The CmDv Secretary processes the invoice from AA for the owners that were represented.
14. DPM shall record all liens by October 1<sup>st</sup> annually in order for the City Business Tax Office to add these liens to the annual tax rolls. If the DPM misses this date, the lien will not be added to the tax rolls until the following year, however, will still be legally due for payment.

## Article XII – Cost Resolution by City Council

This step is still under the umbrella of the Demolition / Clearance process. This step is required in order to file a lien against the property to re-coup any associated demolition costs.

1. Once a lien is officially authorized by Council, a *Resolution to take action on Cost* will be issued. DPM shall prepare a *Sworn Statement of Fact / Lien Affidavit* in accordance with LA RS 33:4766. This document requires the Mayor's signature. Allow seven (7) business days to obtain signature and for documents to be returned.
2. The City Council Resolution of the Cost Order is recorded at the Parish Clerk of Court's Office and the City Business Tax Office in accordance with LA RS 33:4766.D and 33:4766.E. Once filed against the property owner(s), notice shall be deemed notice to all subsequent transferees.
3. LA RS 33:4766.E.2 does allow a provision to recover interest on the amounts secured by the lien, however, CmDv does not enforce that authority at this time.
4. The property owner(s) may visit the City Business Tax Office to pay the lien at any time after it has been recorded. Once paid, the City Business Tax Office sends receipt to CmDv for the amount collected with the date. The DPM and CmDv Secretary account for the repayment as *Applicable Credit*. See Article IXV below.
5. Once the lien is paid, the DPM shall also provide a Lien Cancellation Form to the property owner(s). It is the owner's responsibility and expense to record the cancellation at the Parish Clerk of Court's Office.

## Article XIII – Cost Lien Activity Program Delivery Costs

In effort to keep accounting simple in IDIS, all Program Delivery Costs will be accounted for within the actual Demolition / Clearance Activity drawn in IDIS. All of Phase Three, from the Cost Hearing (Article XI) up to filing the Cost lien (Article XII) is considered Demolition / Clearance activity. By default, properties inside the 5 Target Neighborhood Area of blighted properties are accounted as Demolition / Clearance Program Activity costs. However, if the property is not inside the 5 Target Neighborhood Areas, it will be treated as Program Delivery Costs for Demolition / Clearance – Spot Basis. Examples of these types of costs are:

1. All certified mail fees are charged as Program Delivery Costs for Demolition / Clearance and may be used to file a lien against the property.
2. All AA fees are charged as Program Delivery Costs for Demolition / Clearance and may be used to file a lien against the property.
3. All newspaper notices publication fees are charged as Program Delivery Costs for Demolition / Clearance and may be used to file a lien against the property.
4. All staff time and/or cost of materials to execute any of the steps in Phase Two above are charged as Program Delivery Costs for Demolition / Clearance and may be used to file a lien against the property.

Typically, if the owner proceeds with paying the Statement of Demo Fact prior to its recordation, they will not incur any additional filing fee expenses. The property owner(s) can pay these fees at any time during this process to either avoid the lien being filed or to remove the lien after recordation.

## Article IXV – Demo Lien Repayment as Applicable Credit

Per clarification from HUD Headquarters office, see email from Puping Huang dated February 16, 2017, CDBG funds can be spent to demolish a property and a subsequent tax lien can be filed. In the event that the lien is paid, the payment shall be considered *Applicable Credits* as defined in 2 CFR 200.406. Payments are not considered *Program Income*. They refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect costs. It appears that these liens were imposed to recoup the CDBG costs. Therefore, those are *Applicable Credits*.

*IDIS* does not have a function to receipt applicable credits. The following are the choices of reporting these funds:

1. If the original demolition activity was drawn from origin year 2010 or later grants, you can return these funds to the line of credit. Then credit these returned funds to the original activity to reduce the original draws. It can be used to pay soft costs and/or demolition hard costs. The following url has instruction on how to revise/credit returned grant funds to the original activity.  
<https://www.hudexchange.info/onecpd/assets/File/IDIS-for-CDBG-Entitlement-Manual-Chapter-18.pdf>
2. If the original activity was drawn from origin year 2009 or earlier grants, you should return the funds to local CDBG account. And then create a "LA" receipt to record the return. The following url has instruction on how to create "LA" receipt. <https://www.hudexchange.info/onecpd/assets/File/IDIS-for-CDBG-Entitlement-Manual-Chapter-7.pdf>
3. If the original activity was drawn from program income, you should return these funds to the local program income account and cancel the original "PI" vouchers.