



**MINOT NATIONAL DISASTER RESILIENCE
DEMOLITION PROGRAM
SALVAGE POLICY**

December 4, 2017





1.0 Purpose

The Minot National Disaster Resiliency - Demolition Program is a program established in the National Disaster Resiliency Action Plan approved by the Department of Housing and Urban Development (HUD). A copy of the approved Action Plan can be found on the City's website. Funds were appropriated under Public Act 113-2 in response to Federal Disaster FEMA-1981-DR. As outlined in the Action Plan, the City of Minot plans to demolish flooded properties after being acquired. This policy shall also be applicable as appropriate and eligible to CDBG-DR funds the city has received and reflected in such funds' current Amended Action Plans.

2.0 Program Overview

2.1 Funding Appropriation

Federal Register/81 FR 36557, Docket No. FR-5936-N-01, June 7, 2016 provided the City of Minot an allocation of \$74,340,770 of Community Development Block Grant (CDBG) National Disaster Resiliency (NDR) toward meeting unmet needs as directed by National Disaster Appropriations Act, Public Law 113-2.

2.2 Program Administration

The City of Minot contracted with CDM Smith to provide demolition management services in capacity as the City's Project Delivery Contractor for their NDR grant under the auspices and management oversight of the City's Disaster Resilience Grant Program Manager. Once the City has completed the acquisition of the parcel and prior to its demolition, a determination should be made through a joint Program Team comprised of professionals from city staff and CDM Smith to determine if there are salvageable items that could be removed and auctioned, thereby generating program income.

Program Team's responsibilities include:

1. Conduct a site visit to determine auction/relocation potential.
2. Complete required environmental inspections for asbestos and lead based paint.
3. Conduct a site visit to identify salvageable materials.
4. Prepare a cost reasonableness analysis to determine if salvaging is cost effective.
5. If determined cost effective, prepare bid docs and advertise for salvage auction in accordance with the City of Minot Procurement Policies.
6. Evaluate bids and make award for the salvage materials to be removed.





3.0 Program Requirements

24.2(a)(23) Salvage Value. The term *salvage value* means the probable sale price of an item offered for sale to knowledgeable buyers with the requirement that it be removed from the property at a buyer's expense (i.e., not eligible for relocation assistance). This includes items for re-use as well as items with components that can be re-used or recycled when there is no reasonable prospect for sale except on this basis.

24.103(c) *Owner retention of improvements.*

If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at 24.2(a)(23)) of the retained improvement.

3.1 Basic CDBG Requirements

All CDBG-funded activities are subject to a variety of applicable federal statutes and waivers. These requirements are defined at length within HUD's regulations from Title 24 Part 570 of the Code of Federal Regulations (24 CFR Part 570), the June 7, 2016 and the August 7, 2017 Federal Registers which contain the NDR waivers and requirements, and other requirements as indicated via the federal registers.

3.2 Disaster CDBG Requirements

Since the program is funded under the CDBG-NDR grant, additional disaster-related requirements may be associated with the project activity. These requirements are primarily defined within the following statutes and regulations:

- Robert T. Stafford Disaster Relief and Emergency Assistance Act;
- The Department of Housing and Urban Development Appropriations Act, 2013 (Public Law 113-2, enacted January 29, 2013); and
- HUD national resilient disaster recovery appropriation regulations found within the Federal Register Volume 81, Number 109, Docket No. FR-5936-N-01 and Federal Register Volume 82, Number 150, Docket No. FR-6039-N-01.

3.3 State and Local Requirements

Additional requirements (laws, regulations, codes, etc.) may be imposed at the state and local level, depending on the area and the activity. When a state/local requirement conflicts with a federal requirement, the more stringent of the requirements must be adopted.





4.0 Program Income

In accordance with Federal Register-5628-N-01, the City of Minot's process for documenting program income is outlined below:

Once payment is received for the auctioned salvaged items; it is recorded as program income, drawn before CDBG-DR or CDBG-NDR funds are drawn, and the total grant amount is increased accordingly.

