Demolition in Rural Areas

SC CDBG Program

October 2026

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Slum and Blight

- Area blight
- Spot blight





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Slum and Blight - Area Basis (SBA)

- Requires local Ordinance and Resolution declaring the area slum/blighted under local law
  - Ordinance defines criteria for slum/blight
  - Resolution identifies area boundaries & specific conditions of blight
- Project must address conditions documented in the Resolution

this national objective is not used often

Slum and Blight - Spot Basis (SBS)

- Activity that address specific conditions of blight/physical decay that isn't in an area designated as slum/blighted
- Activities typically involve clearance only
- Used for all three types of demolition projects SC funds



Funded Through the Community Enrichment Program

Three priorities:

1. Increasing economic competitiveness & resiliency
2. Education & workforce development
3. Safe & healthy communities

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Community Enrichment – Grant Amounts

- $8M available in FY26 for this category
  - Grant Maximum - $750,000 *
  - Grant Minimum - $50,000



**Exception – up to $1M may be requested for brownfield and commercial demolition projects*

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Community Enrichment - Demolition Projects

- Under Community Enrichment, demolition is considered a first priority (increasing economic competitiveness):
  - Brownfield projects, or demolition of publicly owned obsolete buildings

OR

  - Demolition of vacant, dilapidated residential structures in a targeted neighborhood



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Clearance/Demolition – Large Commercial Structures

- May demolish large structures (i.e. old mills, commercial buildings) <u>if owned by local government</u>
  - ➢*However, end use of property must be considered - local government ownership helps control future use*
  - ➢*If over $350K in CDBG spent, "change of use" requirements apply for five years & use of site must meet national objective or funds repaid*

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Neighborhood Clearance/Demolition

- May also demolish vacant, dilapidated residential structures throughout a target area/neighborhood
  - *Sites remain stay privately owned (local government ownership not required)*
- Local Ordinance typically used, but owner permission also allowed
- Can only demolish vacant units that are <u>not habitable</u>
- Specific documentation must be submitted with application (i.e. photos, documentation of vacancy, inspection report)



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Neighborhood Clearance/Demolition

<u>THINGS TO CONSIDER:</u>

- Ownership documentation
  - *Not properly determining ownership can lead to lawsuits later on!*
  - *Title searches are required and are an eligible grant expense*
  - *Heir property must be condemned*
- Does the locality have an ordinance allowing for condemnation?
- Also need to budget for asbestos testing and air monitoring



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Neighborhood Demolition

Recent Projects:

Grantee	$ Awarded	$ Expended	# Units Proposed	# Units Demolished
City of Abbeville	$221,564	$111,409	17	12
City of Bennettsville	$500,000	$478,414	32	40
Town of Estill	$500,000	$253,400	26	16
Town of Mayesville	$495,500	$213,550	43	18

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Commercial Demolition

EASTOVER – WATER TANK DEMOLITION

- Dilapidated, unused town-owned water tank
- Safety issue if it should come down as it is located near town's operating tank/wells
- Total CDBG $163,650



FLORENCE COUNTY – SCHOOL DEMOLITION

- Dilapidated, unused county-owned school located within the Town of Timmonsville to address blight and community safety
- Total CDBG $500,000

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Commercial Demolition

City of Walterboro – Dry Cleaner Demolition

- Small dilapidated building with a history of being a dry-cleaning business located in the historic downtown
- Limited contamination was found on site leading to no remediation needs
- CDBG grant award $108,033 – total project cost $149,374
- Total demolition cost $94,533

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Brownfield Clearance

Union County – Dry Cleaner Demolition

- Large dilapidated dry cleaner located on Main Street in between two heavily utilized buildings
- The county entered into a Voluntary Cleanup Contract (VCC) with SC Dept. of Environmental Services
- CDBG grant award $1,000,000 – total project cost estimated at $1.1M
- Total demolition cost is estimated to be $830K

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Brownfield Clearance



GREAT FALLS – MILL CLEARANCE

- Town-owned mill with public safety hazards and site contamination near edge of downtown
- Utilized a "reservation of funds" for up to 6 months to allow for the environmental review and acquisition to be completed
- Environmental Review, URA compliance, and Voluntary Clean-up Contract (VCC) all completed before grant award
- CDBG grant award $1,064,000 - total project cost $1,342,368
- Total clearance cost $1,209,836

Required Match - Flexibility

- 10% match required - can come from the locality or any other source
- Various sources can count as match, including in-kind work and waiver of fees
  - Waiver of landfill fees
  - Clearance and mowing of overgrown lots within a targeted neighborhood demolition area
- Many brownfield projects also utilize EPA and ARC funding

Potential Problems

- Demolition contractors tend to be smaller companies and grantees have run into compliance problems, as well as contractors closing during a project
- Procurement and construction oversite can highlight capacity shortfalls with grant administrators and local government staff
- Councils can be hesitant to utilize condemnation on neighborhood projects, leading to less of an impact on the community (units fall out)

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Potential Problems

- Section 3 needs to be discussed early and often with the contractor - hourly information still needed, even though Davis-Bacon (payrolls) are not required
- The potential to uncover additional contamination always exists in every brownfield project, which can increase costs

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