

# Deconstruction: Funding & Federal Rules

Andrea Phillips, Consultant

# Deconstruction is.....

---

A triple win strategy

- ▶ Good jobs
- ▶ Good for the environment
- ▶ Good for the community

BUT why is it so hard?



# Key Challenges

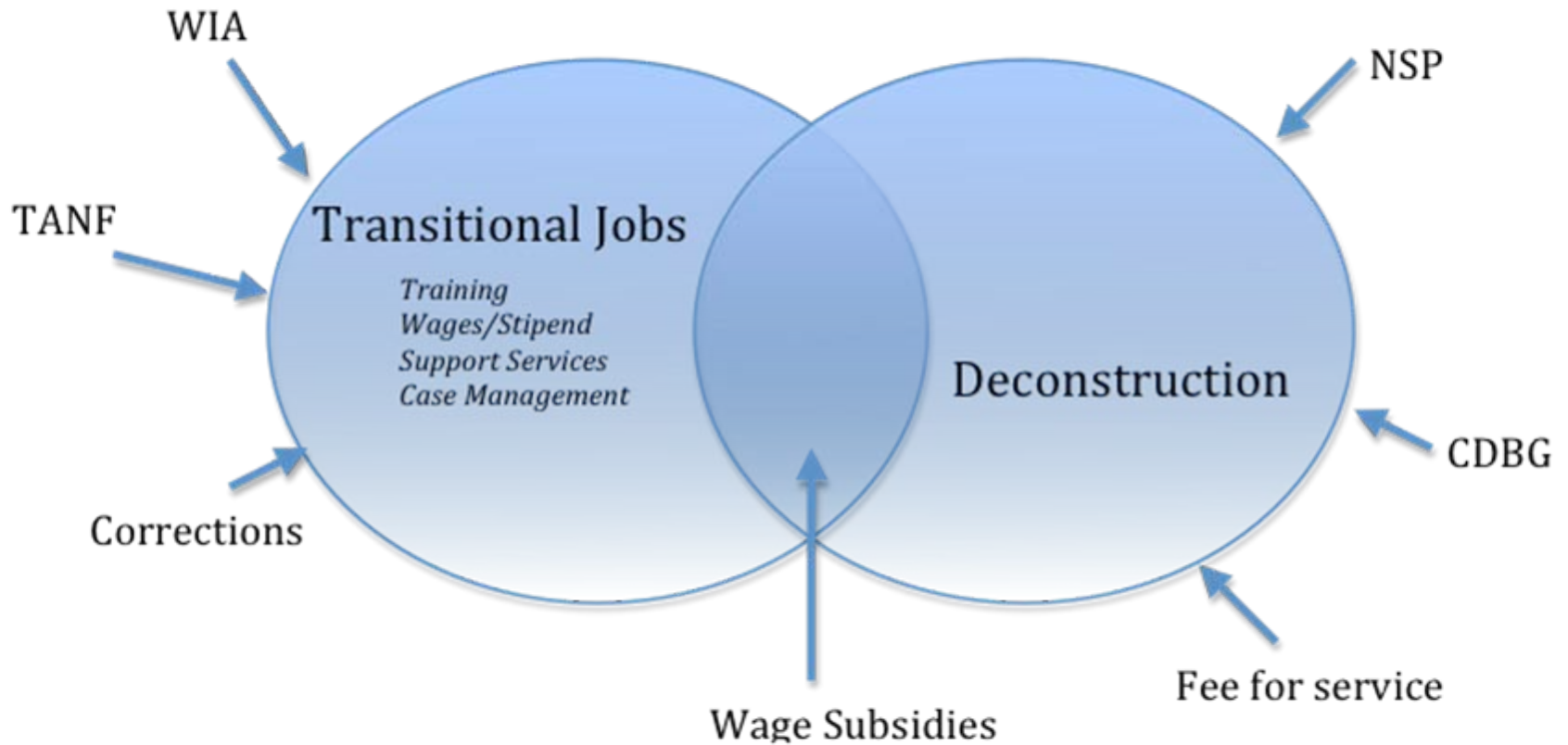
---

- ▶ More expensive than stand alone workforce development or community development projects;
- ▶ Lack of clarity on implementation of Davis Bacon prevailing wage requirements;
- ▶ Complex local regulatory environment around demolition and deconstruction.



# Funding Strategy for a Deconstruction/Transitional Jobs Initiative

---



# Temporary Assistance for Needy Families (TANF)

---

- ▶ Federal money that is administered by the state or county;
- ▶ Eligibility:
  - ▶ Families with children that have an income of < 200 percent of poverty level;
  - ▶ Non custodial parents of children on TANF that are paying child support;
- ▶ Funds can be used for wage subsidies, administration, and other services;
- ▶ Emergency Fund can be drawn down to create subsidized employment with a 20 percent match.



# Workforce Investment Act (WIA)

---

- ▶ Federal funds administered by local Workforce Investment Boards (WIBs);
- ▶ Majority of funds support One Stop Centers that offer basic employment services and access to training;
- ▶ Training funded through Individual Training Accounts (ITAs) where individuals select program from a list of eligible providers;
- ▶ Funds can be used to support Work Experience including wage subsidies, program management and support services;
- ▶ Broad eligibility



# Corporation for National Service - AmeriCorps

---

- ▶ Federal program managed in coordination with State National Service Commissions;
- ▶ RFPs typically released once a year;
- ▶ Initiative must fit in priority program areas identified annually;
- ▶ Funds can be used to support stipend, training, and program management;
- ▶ Non federal match is required.
- ▶ Broad eligibility
- ▶ Participants who complete a year are eligible to receive an educational award.



# Other sources of funds

---

- ▶ Wage subsidies for special populations such as ex-offenders
- ▶ Neighborhood Stabilization Program (NSP)
- ▶ Community Development Block Grant (CDBG)
- ▶ Fee for Service





# Prevailing Wage Requirements – Davis Bacon Act

---

- ▶ Projects funded with ARRA must comply with Davis Bacon;
- ▶ Pay workers the prevailing wage as determined by USDOL;
- ▶ No wage for Deconstruction Worker – Laborer used as a proxy;
- ▶ Exemption for training wages for those in a state or USDOL certified training program



# Setting up for Success

---

- ▶ Identify a strong lead partner that has the capacity to manage multiple funding streams and reporting;
- ▶ Leverage existing programs or resources, whenever possible;
- ▶ Develop clear expectations among partners;
- ▶ Separate unit costs for workforce and deconstruction components;
- ▶ Use data to hold partners accountable and track relevant outcomes for all stakeholders.



# **Architectural Salvage Warehouse of Detroit**

a 501(C) 3 corporation





*historic preservation*

**Architectural  
Salvage  
Warehouse  
of **Detroit****

a 501(C) 3 corporation

*community enhancement  
Job training and employment*

**4-word name**

**Architectural  
Salvage  
Warehouse  
of Detroit**

a 501(C) 3 corporation

*we are about ...*



*landfill diversion*



*retail sales*

definition of terms:

- demolition
- de-construction

## DEMOLITION

“**yellow-metal** way”

“crush & bury”

crush all parts  
and dump it in the land-fill

## DE-CONSTRUCTION

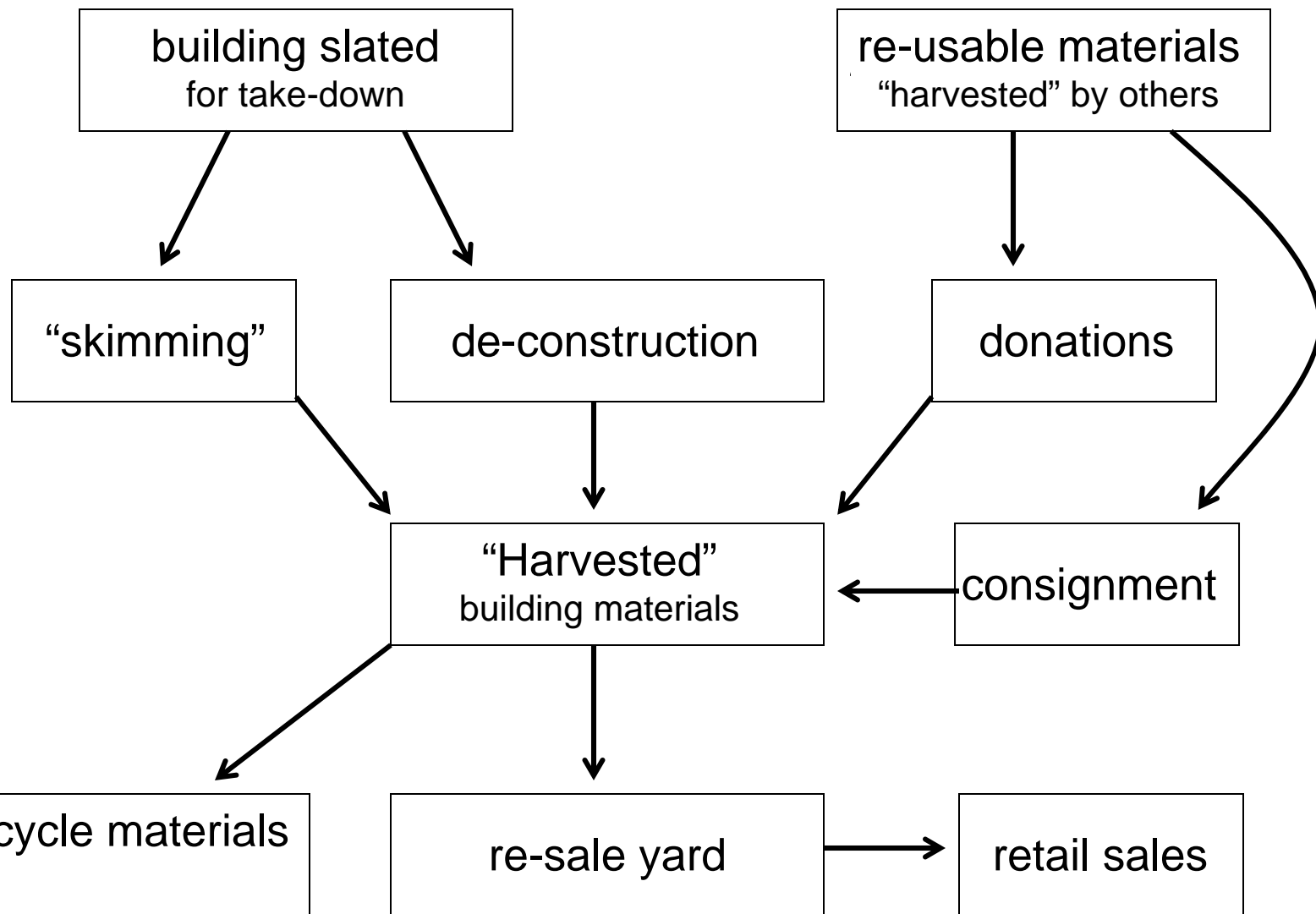
reverse construction  
by hand

one “layer” at a time  
*(last added, first removed)*

“Harvest” re-usable materials  
sell at retail

***can achieve 85% “diversion” from land-fill  
75% of “diverted” materials can be re-used  
can yield owner sizable tax-deduction***







The crew gets trained in the use of equipment.





There are tricks to lifting floorboards,





and wrapping them .....





Lewiston Road, Grosse Pointe

Classes of students observe the process .....





..... as the house gets emptier



Lewiston Road, Grosse Pointe



and “de-nailed”



A photograph of a lumber yard. In the foreground, there are several large stacks of light-colored wooden planks, sorted by size. The planks are stacked in neat piles on a green lawn. In the background, there is a dense line of green bushes and trees. A white house with a grey roof is visible through the trees in the distance. The sky is overcast.

Lewiston Road, Grosse Pointe

Lumber is sorted by size,





Lewiston Road, Grosse Pointe

and stacked for shipment.






Even scrap-wood gets re-cycled,





and the metal parts get separated,



A red plastic bin is filled with a large quantity of debris, including wood shavings, nails, and other construction waste. The debris is piled high and appears to be a mix of organic and inorganic materials. A white text box is overlaid on the bottom right of the bin, containing the text "even the nails. (around 250 pounds)".

even the nails.  
(around 250 pounds)

# *Deconstruction in Milwaukee*

---

Challenges and Solutions

Kathryn Berger  
Senior Program Officer  
Milwaukee LISC

# *Background*

---

- Municipal deconstruction program for blight removal referenced in City NSP1 and NSP2 applications
- Discussions about program among city departments prior to submission
- For-profit deconstruction contractor/green builder was significant force in gaining support



# *Background (cont'd)*

---

- Job creation and job training goals in addition to environmental and blight elimination
- After award, funding directed for demolition of city-owned properties
- RFP for deconstruction of six tax-deeded properties currently out

# *Voices For*

Reduces GHG  
production

Eliminates  
blight and  
provides jobs  
to people  
where they live

Good opportunity  
for people with  
criminal histories

Diverts waste  
from landfills

# *Voices Against*

Too Dangerous

Costs too  
much

Takes too  
long

No real career  
path there  
anyway

# *Our Goals*

---

- Manage risks
- Reduce timeframe
- Strive for cost-competitiveness
- Support career path development in deconstruction and construction

# Barriers



- Regulatory - Local
  - Insurance and Bonding
  - Compliance with regulations/nuisance prevention
- Financial
  - Duration and Staffing
  - Training
  - Funding streams
- Management
  - Expertise from a number of entities



# *Insurance and Bonding*

---

- City Concerns
  - Potential for collapse
  - Number of people on site
  - Duration of time
  - Potential for incomplete job, unexpected conditions

# *Insurance and Bonding*

- Solutions
  - Demo contractor partner provide bond/insurance coverage
  - City staff review bid requirements with work group



# *Nuisance Prevention*



- Concerns
  - Security of the site
  - Safe handling of lead, asbestos and other hazardous materials
  - Timely removal or storage of materials
  - Erosion control
  - Duration of the process
  - Noise and vibration

# *Nuisance Prevention*

- Solutions
  - Deconstruction Plan:
    - Building material inventory
    - Marketing plan for all materials
    - Storage and flow of materials
    - Provisions for site security, erosion control, neighbor relations



# *Financial Challenges*

---

- Can cost more for a number of reasons
  - Longer duration
  - More people
  - Trainees vs. experienced
  - Prevailing wage
- Numerous funding streams
  - Workforce Development/Job Training
  - HUD
  - EPA
  - Private/philanthropic

# *Building Strong Management*

---

- Cooperative relationship with city
- Nonprofit training partner serving targeted populations, providing case management
- Local Demo or Decon Contractor – knows process, materials, marketing of materials, has insurance, bonding, and equipment and connections in industry
- Experienced deconstruction management – tight scheduling, timelines, teaching techniques and process to drive cost down

# Milwaukee Deconstruction Transitional Jobs Pilot

RFP – Six houses

*NSP 1 Funding Source – Dept of Neighborhood Services*

## **LISC Leverage**

(OSI, Bader, NML etc.) *National LISC TA*

*Other Potential Leverage – Brought in as part of successful bid  
Training Costs, WIA \$, Case Management*

\* 6 houses deconstructed

\* at least 80% of waste diverted/  
recycled/salvaged

\* 75% of participants placed  
in unsubsidized jobs

### **Nonprofit**

- Case management
- Supportive services
- Work crew management

**12 trainees**  
(6 x 2 crews)

### **Demo Contractor**

- Permitting
- On-the-job training

### **HBI**

- Classroom hard-skills training
- Skill verification
- Pre-apprenticeship Certification

### **Decon. Consultant**

- Scheduling
- Project Management
- Technical

**8 wks. Transitional Employment**  
▪ 4 days/wk. decon. OJT for 4 wks.  
▪ 4 wks. classroom & support svcs.

# *Building the Industry*

- Deconstruction as a cost-effective, efficient means of building removal
- Pipeline for deconstruction
  - Milwaukee Metro Sewerage District
  - Future City Deconstruction
  - Suburban residential
  - LEED Projects – only 6% of LEED projects use reuse credit



# *Building Career Paths*

- Pathways to unsubsidized employment
  - Connections with construction industry and unions
  - Connections with markets for reused and recycled materials
    - Reuse stores
    - Recycling operations
    - Small business
  - Nonprofit social enterprise to bid on future decons