



September 23, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
House of Representatives
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
House of Representatives
Washington, D.C. 20515

Dear Chairwoman Waters and Ranking Member McHenry:

The National Demolition Association (NDA) represents over 500 U.S. and Canadian companies that offer standard demolition services as well as a full range of demolition-related services and products. NDA educates members on the latest advances in equipment and services, provides educational programs and tools to stay abreast of regulatory and safety matters and keeps regulators informed about issues in our industry. NDA also increases public awareness of the economic and societal benefits of demolition.

On behalf of NDA members, I am writing today to bring to the Committee's attention an issue which could threaten the competitiveness of the demolition industry and the safety of our citizens. Specifically, NDA wishes to express concerns regarding the use of Community Development Block Grant (CDBG) Program funding by state and local governments to acquire demolition equipment for the purposes of establishing in-house demolition programs. The most recent example comes from Paterson, New Jersey where city officials secured over \$700,000 in CDBG funding from the Department of Housing and Urban Development (HUD) to lease construction equipment to demolish fire-damaged properties.¹

Purchasing demolition equipment with CDBG funds is currently listed as an ineligible activity under 24 CFR § 570.207. However, cities like Paterson are getting around this prohibition by exploiting a provision in the law that allows CDBG recipients to lease construction equipment and then utilize it for demolition purposes. This practice violates the intent of long-established HUD procurement principles which call for CDBG recipients to pursue a competitive, open, and local procurement process when utilizing federal funds.²

Further, NDA believes Congress should consider the public safety implications that come with operating demolition equipment and tearing down hazardous structures. Demolition is a sophisticated craft performed by highly skilled professionals who ensure projects are safely completed with minimal risks to workers, the public, and the environment. Private demolition contractors spend countless hours and financial resources to train their employees to meet the highest safety standards when on the job. City employees who will be performing these demolition projects, such as those in Paterson, do not possess the same level of experience, expertise or training as private contractors.

For all of the reasons specified above, NDA requests that the House Committee on Financial Services clarify the current law to require that CDBG recipients pursue a fair, open, and competitive bidding process for demolition projects when utilizing federal funds.

¹ Malinconico, J. (June 11, 2019). *Paterson looks to prevent fires by demolishing vacant buildings*, Retrieved from northjersey.com

² 24 CFR 85.36

Thank you for the opportunity to provide comment on this issue. Please contact Kevin McKenney at kmckenney@demolitionassociation.com or 202-367-2480 with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Lambert". The signature is fluid and cursive, with the first name "Jeff" being more prominent than the last name "Lambert".

Jeff Lambert
Chief Executive Officer