

COMMUNITY DEVELOPMENT BLOCK GRANT BLIGHT ELIMINATION

The Michigan Strategic Fund (MSF), in cooperation with the Michigan Economic Development Corporation (MEDC) administers the economic and community development portions of the Community Development Block Grant (CDBG) program. CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development (HUD). The community development portion of Michigan's CDBG program has a specific focus to assist in the elimination of spot blight that is not located in a designated slum or blighted area.

WHO IS ELIGIBLE?

Small cities, townships, and villages of less than 50,000 in population and counties with a population of 200,000 or less are generally eligible to apply for grants under the Michigan CDBG program. There are over 1,600 eligible general purpose local governments and these are referred to as **non-entitlement jurisdictions** (*click on link for complete list*).

Under the Michigan CDBG program, all blight elimination projects must meet the following national policy objectives and the corresponding statutory requirements to be considered for funding:

- The activities will aid in the prevention or elimination of slums or blight, as defined by 24 CFR 570.483 and;
- The property must meet the definition of blighted as defined in the Brownfield Redevelopment Financing Act (1996 PA 381), MCL 125.2652 (e)(i-iv) and (vii).

GRANT DETAILS

Blight elimination projects will be measured as to their ability to meet each of the following criteria:

• Project Viability

The community must be able to demonstrate that their proposed project is clearly eliminating objectively determinable signs of blight and is strictly limited to eliminating specific instances of blight (spot blight).

• National Objective

Proposed project must meet the national objective of elimination or prevention of slums and blight on a spot basis.

• Project Type

Funding priority will be given to the demolition of vacant, deteriorated and abandoned publically owned commercial or mixed use buildings which are considered to be detrimental to public health and safety. Exclusively residential structures, schools, and state-owned properties (except State Land Bank owned) are ineligible for funding.

• Matching Funds

Proposed projects are expected to have local government and/or other funds designated for the project. Funding priority will be given to projects where all other funding is 25 percent or more of the total project costs.

• Project Provisions

All project beneficiaries must agree to abide by a five year restricted resale and reuse provision policy that is formally identified within the grant documents. Projects must be bid out according to the Davis Bacon Act (interior and exterior) and the community must complete an environmental review of the entire project (including match eligible and ineligible activities).

The maximum grant maximum shall not exceed \$1,000,000.

GRANT ACTIVITIES

Examples of Eligible Grant Funded Activities:

Property acquisition, clearance/demolition, historic preservation*, and building rehabilitation.*

*(*only to the extent necessary to eliminate specific conditions detrimental to public health and safety)*

Examples of Ineligible Activities:

General building renovation, abandoned school demolition, and single family home demolition. Please see the fact sheet: **Brownfield Redevelopment Incentives**, or **CDBG Façade Improvement** for more information about programs that can assist with renovation projects.

CDBG BLIGHT ELIMINATION *continued*

GRANT PROCESS

Typical process can take between 3–5 months until funds can be spent or contracts signed. Note: The following steps are offered as general guidelines only to provide some guidance to communities on typical timelines and responsibilities.

1. Contact your CATeam specialist for review and evaluation of the project.
2. If the project evaluation is determined to meet the criteria of the program, the community will be asked to complete a CDBG pre-application for project details.
3. Following submission of the pre-application your CATeam specialist will present your project to the CATeam staff for support to move the project forward. If supported your project is placed on the Michigan Strategic Fund Board agenda.
4. If the project is approved by the MSF board the community will be invited to complete a full application.
5. Once completed, the full application is reviewed by the CDBG project manager.
6. Following review and upon completion of all required items, the CDBG project manager prepares a grant agreement for the project.
7. Upon all documents being signed and approved, the CDBG project manager will give the community authorization to incur costs. ***Do not start any work or sign any contracts until you are given by authorization by the CDBG project manager to incur costs.***

WHY WOULD A COMMUNITY WANT TO APPLY FOR CDBG BLIGHT ELIMINATION FUNDS?

The Blight Elimination program is structured to assist communities in removing blighted conditions in their community. While preservation of existing structures is generally preferred, it is all too common that buildings fall into a state of such severe disrepair that they are a blighting influence on the community. This program can assist communities in the elimination of spot blight that often hinders adjacent private investment with the goal of promoting future investment in the community.

CONTACT

To receive consideration for CDBG Blight Elimination funding, initial contact should be made with the Community Assistance Team member assigned to your territory ([click link for map](#)). For more information, contact the MEDC Customer Assistance Center at 517.373.9808 or visit our website at www.MichiganAdvantage.org.