



## Building Demolition and Site Revitalization Program Guidelines

Included in Substitute House Bill 110, the state budget bill for State Fiscal Years 2022-2023, Ohio Revised Code (ORC) 122.6512 created the “building demolition and site revitalization program” to be overseen by the Ohio Department of Development (Development). The purpose of the provision is to award grants for the demolition of commercial and residential buildings and revitalization of surrounding properties on sites that are not brownfields. This program provides \$150 million with \$500,000 set-aside per county. The remaining funds will be provided on a “first-come, first-served” basis. Set-aside funds are reserved for one-calendar year from the date of appropriation (July 1, 2021). After one calendar year, the funds will become available for grants throughout the state (July 1, 2022). A total of 2.5% of the total funding (\$3,750,000) will be used for Development’s administrative purposes.

### Award Period

Award period will be determined based on application approval.

### Eligible Applicants

A “Lead Entity” must be established for each county. If funded, the Lead Entity will be the award recipient and the responsible party with whom Development will execute a grant agreement for the grant funds. There shall be only one Lead Entity per county. Where a county land reutilization corporation has been established, it shall be the Lead Entity for that county. The county land reutilization corporation must submit a grant user access form to Development no later than close of business December 20, 2021. Any collaboration between the Lead Entity and other local governments or nonprofit organizations must be documented in the application.

If a county has not created a county land reutilization corporation, the Board of County Commissioners must submit a Lead Entity letter of intent and grant user access form, identifying either the Board of County Commissioners or another unit of local government within that county to serve as the Lead Entity. This letter of intent and grant user access form must be submitted to Development no later than close of business, December 20, 2021. The Lead Entity letter of intent must demonstrate collaboration with all potential subrecipients within that county.

### Subrecipient Agreement

The Lead Entity must enter into a subrecipient agreement with known end users of any award. A subrecipient agreement between the Lead Entity and other end users (i.e. other local governments, nonprofit organizations, community development corporations, regional planning commissions, community action agencies, etc.) must be submitted as part of the application, if applicable.

The subrecipient agreement must include, at a minimum, the following: statement of work, records and reports, budget and balances, compliance with federal and state laws, and suspension and termination provisions. A

sample subrecipient agreement may be provided to the Lead Entity if requested after a grant agreement is signed with Development.

### Eligible Properties

Commercial and residential buildings on sites that are not brownfields are eligible properties. Commercial properties include buildings that were used for retail, office, manufacturing, industrial, industrial warehousing, institutional, or other non-residential or mixed-use (meaning any mix of these uses or a mix of residential and commercial uses) purposes. Non-vacant and blighted structures are not eligible, unless they are contiguous and/or connected to vacant and blighted structures that are necessary to demolish. Lead entities should utilize the local governments' strategic plan and/or Community Housing Improvement Strategy to identify blighted, vacant or abandoned structures if available.

Subsequent redevelopment of the properties will be at the discretion of Lead Entities or local governments pursuant to their strategic or community plans or, in the case of nuisance abatement demolitions, private owners. Lead Entities or local government subrecipients may elect to place demolition liens or assessments on properties that were demolished to abate a nuisance. Program funds may be used for site revitalization of surrounding properties on sites that are not brownfields for post demolition costs but not for other redevelopment purposes.

### Eligible Costs

Administrative costs: The below reasonable administrative and operating costs are eligible expenses, not to exceed 10% of the total amount of grant.

All work must be completed by May 1, 2023. Lead Entities will have until July 15, 2023, to submit disbursement request. A final project report is required by December 31, 2023 (please see below under Reporting).

Cost Category	
General Administrative Costs	<ul style="list-style-type: none"> <li>• General Management and Oversight of Program</li> <li>• Technical Support Services</li> <li>• Contractor pre-qualification</li> <li>• Spec-writing and bid preparation</li> <li>• Contract preparation</li> <li>• Evaluation and Monitoring</li> <li>• Invoice processing/payment</li> <li>• Preparation of Program Disbursement Requests</li> <li>• Report Preparation</li> <li>• Local Historic Review/Assessments (Ohio Historic Preservation Office clearance is not required)</li> <li>• State Audit(s)</li> <li>• Other expenses approved on a case-by-case basis by Development</li> </ul>
Eligible Pre-Demolition Costs	<ul style="list-style-type: none"> <li>• Acquisition of Real Estate (no more than 10% of the total request, not to exceed the county auditor property value)</li> <li>• Initial property inspections/assessments</li> <li>• Property security costs, board up</li> <li>• Grass mowing prior to demolition</li> </ul>

	<ul style="list-style-type: none"> <li>• Interior and exterior debris removal and disposal (including illegal dumping, junk vehicles, discarded tires, etc.)</li> <li>• Environmental assessments</li> <li>• Asbestos surveys</li> <li>• Contract preparation and review by third-parties</li> <li>• Architectural/engineering fees, including cost estimates, bid specifications and job progress inspections</li> <li>• Bid advertisements for vendors</li> <li>• Other expenses approved on a case-by-case basis by Development</li> </ul>
Eligible Demolition Costs	<ul style="list-style-type: none"> <li>• Removal and disposal of asbestos</li> <li>• Removal and disposal of other hazardous materials</li> <li>• Demolition of buildings including disposal, backfill, compaction</li> <li>• Clearance of structures and improvements (trees, shrubs, poles, porch piers, patios, fireplaces, fences, barriers, walls, driveways, aprons, service walks, parking lots, light poles, smokestacks, signage, etc.)</li> <li>• Removal of underground storage tanks and utility services including electrical transformers</li> <li>• Removal and/or filling/capping of septic systems and wells</li> <li>• Removal of additional exterior or interior dumping of debris prior to demolition</li> <li>• Vehicle towing</li> <li>• Equipment purchases or rentals, such as safety fencing, erosion control silt socks, portlets, etc.</li> <li>• Saw-cutting adjacent party walls and parging the wall to remain</li> <li>• Regulatory permit and inspection fees</li> <li>• Documented, labor, material, or equipment costs</li> <li>• Relocation of utility structures above ground</li> <li>• Other expenses approved on a case-by-case basis by Development</li> </ul>
Eligible Post-demolition Costs (Required for each project)	<ul style="list-style-type: none"> <li>• Site restoration (grading and seeding)</li> <li>• Public sidewalk, curb or catch basin repair or, if required by local municipality, installation</li> </ul>
Eligible Post-demolition Costs (Optional for each project and capped at \$5,000 per project)	<ul style="list-style-type: none"> <li>• Greening and improvements (Trees, shrubs, flowers, and other landscaping)</li> <li>• Architectural elements (fencing, signage, benches, and other hardscaping)</li> </ul>
Ineligible Costs	<ul style="list-style-type: none"> <li>• Marketing of project site(s)</li> <li>• Litigation expenses for legal unrelated to tax foreclosure</li> <li>• Property taxes</li> <li>• Property insurance premiums</li> <li>• Payment of delinquent utility costs</li> <li>• Post-demo property maintenance including mowing</li> <li>• Costs incurred prior to the grant period (with the exception of match)</li> </ul>

Prevailing Wage Rates and Labor Standards: Grantees will comply with the provisions of ORC Sections 4115.03 to 4115.16, inclusive, as applicable, with respect to the payment of all mechanics and laborers employed in construction work financed with grant funds.

Total project awards are determined at the discretion of Development.

## Matching Funds

Match funding is required for projects in excess of the County set-aside. For any project in excess of the County Allocation, 25% of project costs must be committed to the project and documentation must be provided.

## Sources of Match

Federal, state, and local funds can be utilized for match. Development will not restrict a specific funding stream (i.e. Community Development Block Grant, American Rescue Plan Act, etc.) from counting towards match. However, it is incumbent on the applicant that the project is an eligible expense for the funding they utilize for match. Failure to maintain match due to an ineligible expense may result in Development requiring the repayment of program funds due to failure to comply with the 75% funding threshold per project. For the purposes of this program, future in-kind contributions can be considered as an eligible expense for match. Funds that were utilized within the last two years may also be used for match.

## Application Process

In counties where a county utilization corporation exists, a *grant user access form* must be submitted to Development no later than close of business December 20, 2021. The grant user access form will identify who need access to the online application for grant completion, submission and disbursements. Once the grant user access form is submitted, Development will provide access to Lead entities on or before December 22, 2021.

Beginning November 29, 2021, Development will begin accepting Lead Entity designation letters and grant user access forms for counties where a land reutilization corporation is not established. The letter of intent and grant user access form must be submitted to Development no later than close of business December 20, 2021.

All documents should be emailed to [redvelopment@development.ohio.gov](mailto:redvelopment@development.ohio.gov) and the subject line should be "Letter of Intent and Grant User Access Form" or "Grant user access form" as appropriate. The grant user access form must be submitted in excel.

In addition to the documentation above, all Lead Entities must create an OH|ID account. For more information on creating an OH|ID, please click [here](#).

Lead entities are encouraged to submit requests for projects that may not have match funds available first since match funds are not required for the county set-aside (up to \$500,000). All requests submitted in excess of \$500,000 are subject to the match requirement and will be reviewed and approved on a first come-first serve basis. Lead entities must submit all applications by close of business February 28, 2022. Additional requests and other budget modifications are described below.

Eligible applicants will be required to provide the following on each application:

- Applicant contact information (including indicating a primary contact)
- County represented
- Budget
- Scope of Work including:
  - Project name
  - Estimated Start and End Date
  - Project location (city/village)
  - Project description

- Anticipated location end use
- The Median Household Income for the county is less than the statewide average Median Household Income. Current Ohio Median Household Income is \$56,602 (source: 2015-2019 American Community Survey 5-year estimate).
- Is the community unemployment rate greater than the current state unemployment rate, as compared to the most recently released Ohio Unemployment Rate data provided by the Ohio Department of Job and Family Services.
- Documentation
  - Match verification
  - Subrecipient agreement(s)
  - Verification of blighted, vacant or abandoned structures
  - Project pictures
  - Contracts
  - Permits
  - Property ownership information
  - Other

### **Grant Amendments or Revisions**

Amendments to the grant agreement are expected and allowable. Amendments to the grant agreement may be requested by a Lead Entity that did not apply for its full County Allocation, or to receive additional funding from the State Allocation. The Lead Entity will need to demonstrate the need and new/revised projects for the additional funding and the ability to expend the funds in the allotted program timeframe. Additional funds in excess of the County Allocation are available on a “first-come, first-served” basis.

For grant modifications not requesting additional funds, the Lead Entity may submit a grant revision. Grant revisions may include requesting to add a subrecipient that it had not identified in its application via a grant revision process. Such addition shall be subject to review and approval by Development.

Development reserves the right on July 1, 2022, to recapture and apply to the State Allocation, any County Allocation funds that have not yet been obligated.

### **Reimbursement Requests**

Upon execution of a grant agreement, Development will provide access to a disbursement request. An Ohio Supplier ID is required for disbursement. If the eligible applicant does not currently have an Ohio Supplier ID, the entity will be required to register for an Ohio Supplier ID at [Supplier.Ohio.gov](https://supplier.ohio.gov). Lead Entities will only be able to receive an award once a valid Ohio Supplier ID matching the FEIN/SSN provided in the application has been obtained and is verified by Development. Lead Entities that need assistance obtaining an Ohio Supplier ID or need to make changes to an existing Ohio Supplier ID should visit: <https://supplier.ohio.gov/wps/portal/sp/suppliers/help-center>. Lead Entities may submit one reimbursement request per month. Development may request additional documentation in support of the reasonable and necessary costs.

## Reporting

Two types of reports are required of the Lead Entities under this program:

1. **Quarterly Performance Report:** This report must include documentation of demolition including before, during, and after pictures of demolition activity for each address, expenses, matching funds if required, environmental reports, authority for demolition (title, consent, court order, etc.) and contractor release of liens. Quarterly Performance Reports are due by 5:00 p.m. on the second Friday after the end of each quarter.
2. **Final Performance Report:** Lead Entities must provide a final performance report on demolitions and land reutilization by December 31, 2023. This report must include the number of demolitions completed, expenditures including in-kind contributions, and program accomplishments including community and economic benefits realized.

The templates for both reports and specific requirements will be provided to the Lead Entities at a later date.

## Program Income

This program's goal is to encourage demolition and revitalization beyond its current funding allocation. Revenues may be generated by a Lead Entity or subrecipient during this process as a result of collection of liens, assessments, salvage proceeds, and/or final disposition of vacant properties. Any revenue generated in connection with this program will remain with the Lead Entity or subrecipient and is restricted to future demolition, brownfield remediation, neighborhood stabilization activities, or economic development activities. The Lead entity should submit to Development a final program income report at the close of the grant agreement.

## Compliance Areas

All Lead Entities must have policies and procedures in place to effectively and consistently manage the details of all activities, including administration, demolition management, and compliance areas. These policies and procedures must incorporate all federal, state, and local regulations and guidelines.

### *Final inspection and retainage payments*

The Lead Entity shall have a final inspection conducted on all demolition projects. All punch list items shall be completed and inspected prior to submitting each disbursement request. The Lead Entity may include in their disbursement requests the full amount of any demolition contract retainage payment that the Lead Entity has yet to pay. Development will pre-pay Lead Entities for unpaid demolition contract retainages, however, evidence that the retainages have been paid must be submitted within nine months of submittal of the disbursement request. The program recognizes that retainages are typically held back until grass has grown on the site and that this can sometimes span across several seasons of the year. Extensions of time to submit evidence that retainages have been paid will be made by Development on a case-by-case basis.

### *Contractors*

**Screening of contractors:** The Lead Entity or subrecipient must identify and document the requirements that local contractors must meet in order to participate in the program. The requirements should be rigorous enough to screen out unqualified or unstable contractors but not so stringent as to prevent the participation of competent contractors. Contracts shall include anti-kickback and non-collusion clauses and property tax certifications. The following requirements apply to the screening of contractors conducting work through the program.

Liability insurance: Private contractors must have adequate liability and property damage insurance.

Workers' Compensation: Private contractors must, at a minimum, be paying into the Ohio Workers' Compensation Program. A private contractor operating a sole proprietorship and who has no employees is exempt from this requirement.

Debarment: Check the Federal and State debarment list for additional evaluation.

Certifications: Have policies regarding a Drug Free Workplace, and EEO.

Ethics: All contractor personnel must be knowledgeable of and understand Ohio Ethics and Conflict of Interest Laws.

The Lead Entity and subrecipients must identify and document policies and procedures for barring poor performing contractors from continuing to participate in the program.

### *Contracts*

Demolition of a property shall not take place until a contract has been executed between the Lead Entity or subrecipients and contractors or vendors and the "right of recession" date has expired. The contract must meet industry standards and contain the following:

- Work start date and completion date;
- Total amount of money to be paid for the work;
- Responsibilities, terms and conditions for all parties;
- Daily property maintenance and site cleanup provisions;
- Any requirements and limitations regarding sub-contractors;
- Work specifications;
- Be signed and dated;
- Procedures for inspections, payments, changes in the scope or cost of work, resolving disputes and termination of the contract;
- Appropriate federal and state provisions, including, but not limited to prevailing wage and equal opportunity, etc.;
- Requirements regarding the release of liens;
- All applicable warranties; and
- Procedures for settling of disputes.

Lead Entities or subrecipients who maintain a high volume of projects and have master demolition contracts governing multiple demolitions may submit the master contract form for pre-approval by Development. Once approved, these awardees may submit notices to proceed issued in connection with the master contract with disbursement requests rather than the entire demolition contract.

### *Environmental Compliance*



The Lead Entities, all subrecipients, and all subcontractors for the Lead Entities or subrecipients' subcontractors must comply with all applicable federal, state, and local environmental laws.

*Lead-based paint requirements:*

Awardees must follow all applicable state and local regulations, laws and policies in effect regarding Lead-Based Paint.

*Asbestos requirements:*

Awardees must follow all applicable state and local regulations, laws, and policies in effect regarding asbestos.

*Demolition permits:*

The city and/or county may also require permits for the demolition of a building.

## **Updates to program Guidelines**

Changes and/or corrections to any part to the program guidelines may be made from time to time and will be provided by Development to the Lead Entities and/or posted on Development's website. Development reserves the right to make exceptions to these guidelines on a case-by-case basis for any reason.

## **Indemnification**

Unless otherwise exempted by law, any Lead Entity and subrecipient shall indemnify and hold harmless the State of Ohio and the Ohio Department of Development, including its agents, officers, and employees against any and all claims, liabilities, and costs for any personal injury or property damage, or other damages that may arise out of or in connection with the Lead Entity's or subrecipient's performance of a contract.

## **Definitions**

The term "vacant" means that the property is currently not occupied by any lawful occupant and has not been lawfully occupied for at least 60 days (unless vacated due to fire, casualty, or other emergency).

The term "blight" incorporates the same definitions as "blighted area," "slum," and "blighted parcel" as found in ORC 1.08 which are as follows:

"Blighted area" and "slum" mean an area in which at least 70% of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use.

"Blighted parcel" means either of the following:

- A parcel that has one or more of the following conditions:
  - A structure that is dilapidated, unsanitary, unsafe, or vermin infested and that because of its condition has been designated by an agency that is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation or use;
  - The property poses a direct threat to public health or safety in its present condition by reason of environmentally hazardous conditions, solid waste pollution, or contamination;



- Tax or special assessment delinquencies exceeding the fair value of the land that remain unpaid 35 days after notice to pay has been mailed.
- A parcel that has two or more of the following conditions that, collectively considered, adversely affect surrounding or community property values or entail land use relationships that cannot reasonably be corrected through existing zoning codes or other land use regulations:
  - Dilapidation and deterioration;
  - Age and obsolescence;
  - Inadequate provision for ventilation, light, air, sanitation, or open space;
  - Unsafe and unsanitary conditions;
  - Hazards that endanger lives or properties by fire or other causes;
  - Noncompliance with building, housing, or other codes;
  - Nonworking or disconnected utilities;
  - Is vacant or contains an abandoned structure;
  - Excessive dwelling unit density;
  - Is located in an area of defective or inadequate street layout;
  - Overcrowding of buildings on the land;
  - Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
  - Vermin infestation;
  - Extensive damage or destruction caused by a major disaster when the damage has not been remediated within a reasonable time;
  - Identified hazards to health and safety that are conducive to ill health, transmission of disease, juvenile delinquency, or crime;
  - Ownership or multiple ownership of a single parcel when the owner, or a majority of the owners of a parcel in the case of multiple ownership, cannot be located.

The term “residential” shall mean a structure that is:

- on land zoned for residential use;
- being used as a residential dwelling;
- had been used as a residential dwelling; or
- connected to any structure that is currently used or has previously been properly used as a residential dwelling as a mixed use.