Agenda

• BRP Introduction
• BRP vs. APP Comparison Chart
• Eligible Applicants
• Eligible Uses
• BRP Process Chart
• BRP Application
• FAQs
• Environmental Protection Agency
• Questions
Introduction

- The Blight Reduction Program ("BRP") was created in 2014 by IHDA under the Hardest Hit Fund Program funded through the Toxic Asset Relief Program ("TARP"), a U.S. Treasury managed resource dedicated to foreclosure prevention and neighborhood stabilization.

- IHDA will utilize BRP to decrease preventable foreclosures and stabilize neighborhoods by supporting Illinois units of government and their Not-For-Profit Partners as they target blighted, vacant, residential properties in specific communities for demolition, greening, and eventual reuse or redevelopment.
Introduction

• BRP will complement the state-funded Abandoned Property Program by reducing blight for the end purpose of land reuse, repurposing, and/or redevelopment that benefits the surrounding residential community and helps reduce foreclosure.

• This is the second round under the Program.
<table>
<thead>
<tr>
<th><strong>What are the program goals?</strong></th>
<th>Blight Reduction Program (BRP)</th>
<th>Abandoned Property Program (APP)</th>
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<tbody>
<tr>
<td>Administered by the Illinois Housing Development Authority, the program provides financial resources to address the impact of the foreclosure crisis, decrease preventable foreclosures, and assist communities with neighborhood improvement, greening, and redevelopment.</td>
<td></td>
<td>State funded through foreclosure filing fees, established by 20 ILCS 3805/7.31</td>
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| **What is the funding source?** | Funded by the U.S. Treasury Hardest Hit Fund | State funded through foreclosure filing fees, established by 20 ILCS 3805/7.31 |

| **Who are eligible applicants?** | Applicants are Illinois units of local government and must partner with a not-for-profit developer or agency | Applicants must be an Illinois municipality or a county |

| **What are eligible uses of the program funds?** | Funds may be used for acquisition, demolition, greening, maintenance, and administration | Funds may be used for securing, maintaining, demolishing, or rehabilitating abandoned homes |

| **Who should be the owner of the abandoned property?** | Not-For-Profit Partner must take ownership (title) of the properties identified for BRP assistance prior to any demolition work | Applicant must have the legal authority to undertake activities under the program |

| **Is this a grant or a loan?** | Structured as a zero percent (0%), 3 year, non-amortizing loan, secured by a recorded lien | Grant funds |

| **What properties are eligible?** | Must be 1-4 unit residential properties | Must be 1-6 unit residential properties |

| **When are the program rounds?** | Application for the Round 2 is due on September 25, 2015 | Currently in Round 1, information on Round 2 is forthcoming |

| **Where can I find more information?** | For more information, please visit: [http://www.ihda.org/government/BRP.htm](http://www.ihda.org/government/BRP.htm) | For more information, please visit: [http://www.ihda.org/government/AbandonedPropertyProgram.htm](http://www.ihda.org/government/AbandonedPropertyProgram.htm) |

| **What should I do if I have more questions?** | For questions, please contact HHFBRPinfo@ihda.org | For questions, please contact APPinfo@ihda.org |
Eligible Applicants

- Applicants for BRP are Illinois units of local government (e.g. cities, municipalities, counties, or land banks) (“Applicant”).

- BRP requires that the Applicant control the permitting, inspection, and lien extinguishment process for all properties proposed.

- The Applicant will lead the identification of BRP Target Areas, sourcing the properties proposed for demolition and the title clearance process for blighted properties.
Not-for-Profit Partner

- The Applicant must partner with a not-for-profit developer or agency with demonstrated experience that pertains to BRP (demolition, greening, revitalization).

- The Not-For-Profit Partner must take ownership (title) of the properties identified for BRP assistance prior to any demolition work, execute HHF loan documents, and be the receiver of the BRP funds.

- Will also provide compliance reports on each property and is liable should a recapture event occur during the 3 year compliance-recapture period.
Eligible Properties

- 1-4 unit residential properties in the State of Illinois
- Properties deemed blighted and in need of demolition by the municipality
- Manufactured home taxed as real property with a foundation and no hitch or wheels
- Properties within census tracts of the proposed BRP Target Area
- Properties may have garages, outbuilding, and/or sheds (demolition/removal of these buildings is an eligible cost)
Ineligible Properties

- Residential properties knowingly occupied by a legal or non-legal residents
- Properties that have been demolished prior to BRP application approval
- Individual properties surrounded by non-residential land uses
- Historically registered properties
- Commercial, industrial, or agricultural properties
- Properties in adequate and safe condition to be currently occupied as deemed by the municipality
- Properties that can be repaired, rehabbed, for minimal cost as deemed by the municipality
- Mixed use properties with a residential unit component
Eligible Activities

• Maximum per unit refinance/reimbursement is $35,000

• Minimum ask is $250,000

• A legal residential dwelling or property eligible for BRP refinance assistance is considered a (“Unit”)

• For multifamily Units (up to 4) each Unit must qualify
Eligible Activities

- Acquisition (purchase price, lien extinguishment, legal costs, title, recording and transfer fees)
- Demolition
- Greening
- Maintenance ($3,000 per Unit)
- Administrative expenses ($1,750 per Unit)
Application

- Application due September 25, 2015 at 3:00 p.m.
- All copies must be digital
- Use the checklist very carefully
- E-mail one copy of your complete BRP application to hhfborpinfo@ihda.org and submit one flash drive copy to:
  Community Affairs BRP Team
  c/o Illinois Housing Development Authority
  401 North Michigan Avenue, Suite 700
  Chicago, IL 60611
Scoring Categories

- Partnership and Capacity (30 points)
- Plan and Programmatic Impact (30 points)
- Target Area Market Score (10 points)
- BRP Target Areas (20 points)
- Readiness to Proceed (10 points)
Partnership and Capacity

- Basic information about the Applicant’s:
  - Previous experience managing grants
  - Relationship with proposed Not-for-profit partner(s)
  - Experience dealing with blight, vacant and abandoned homes, and demolition
  - Experience of Not-for-Profit partner in dealing with demolition, greening, blight reduction programs or initiatives applicable to BRP
Plan and Programmatic Impact

- Detail how all revitalization plans (current or future) align with the goals of BRP
- Detail how BRP Funds will assist in the revitalization of Applicant’s community
- Demonstrate how Applicant will use funds to engage community organizations to help with revitalization efforts
Target Area Market Score

- Applicant will be scored on the following criteria (determined at IHDA):
  - Vacancy Rate (American Community Survey 2012 5-Year Estimates)
  - Vacant Unit Trending (Total vacant residential units from ACS 5-Year Est. in 2010 and 2012)
  - Home Lending Trending (home purchase loans from Home Mortgage Disclosure Act reports in 2010, and 2012)
  - Purchase Price Trending (median loan amount from Home Mortgage Disclosure Act reports in 2010, and 2012)
  - Foreclosure Trending (foreclosures in the BRP Target Area or applicable zip code/s in 2010 and in 2012)
Target Areas

- Detail why Target Area(s) was/were chosen
- Describe actions already taking place in each target area to combat Blight in the Target Area(s)
- Describe other resources/funds that will be used to further the effectiveness of the BRP funds
Readiness to Proceed

• Reasonable plan for expeditious completion of proposed activities

• Points will be given based on number of properties proposed for demolition that are eligible under the Program

• Reasonable plan for expeditious completion of proposed activities

• Brief explanation of any interim goals and end use goals
Are program funds available upfront?

- Funds are only available as takeout financing to cover eligible expenses associated with Blight Reduction performed as a means to prevent future foreclosures. Acquisition, Demolition, and Greening work precede funding. Maintenance and Administrative costs are front funded at Unit Closing to provide resources during the three (3) year compliance/recapture period.

Is this a grant or loan?

- Funds will be in the form of 0% interest non-amortizing loan, forgivable over a 3-year term at 33% per year (1/36th per month), as long as covenants are met; outstanding balance of loan will be due on sale, transfer, or unauthorized use of the property, to the extent of net proceeds received. Mortgage will be recorded through public records, and discharges will be conducted by IHDA. Any repayment of program funds will be reinvested back into program allocation. Special considerations may be made by IHDA to release lien prior to 3-year term based on merit of request and to promote positive economic impact to community as set forth in program guidelines.

Is there a definition of "greening"?

- No, but refers to lot treatment of the property.
For a non-metropolitan community, is it appropriate to define the BRP Target Area as community wide?
- Yes, that is acceptable.

Is there a sample agreement (between the local governmental agency and the non-profit partner) available?
- No. The Department of the U.S. Treasury requires that BRP funds be structured as a refinance of debt incurred for eligible BRP costs through a lien. The Applicant and their Not-For-Profit Partner must develop an instrument of debt acceptable to both parties, which can take the form of a mortgage, forgivable loan, recapture agreement, or demand note. The instrument of debt can be for all or a portion of the eligible costs or activities incurred at the Unit level and does not require a specific dollar amount to be eligible for refinance/reimbursement from IHDA through BRP. The Not-For-Profit Partner must take title to the Unit prior to demolition. The instrument of debt must be the sole lien encumbering the Unit prior to demolition.

Is liability insurance an eligible cost?
- No and yes. Liability insurance covering the demo and greening of the project should be under those categories, but if the liability insurance is the coverage for accidents and claims after the project has been greened it should be under maintenance fees.
Most Popular Frequently Asked Questions

- **Do you have a sample list of Not-for-Profit Partners?**
  - At this time, we are not making direct referrals. We can, however, guide you to the Illinois Association of Regional Councils, www.ilarconline.org. This website has a list of Regional Planning Commissions statewide (http://www.ilarconline.org/news/5-2.php).

- **Is there a maximum award?** We know the minimum is listed at $250,000 and/or 10 properties, but we would like to know if it would be worth our efforts to put 20 or more properties on our list. Is it likely that communities that seek a large number of demolitions will be granted more than the $250,000?
  - Applicants will be selected on their ability to meet the criteria in the application. However, for Round 2 Applicants may list up to 35 Units, (up to $35,000 per Unit). $35,000 x 35 = $1,225,000.

- **Can an application include multiple municipalities?**
  - Yes, as long as there is an eligible Not-for-Profit Partner.
Blight Reduction Program (BRP)

The Blight Reduction Program (BRP) was created in 2014 to decrease preventable foreclosure and stabilize neighborhoods by supporting Illinois units of government and their Not-For-Profit Partners as they target blighted, vacant residential properties in specific communities for demolition, greening and eventual reuse or redevelopment. BRP complements the state-funded Abandoned Property Program by reducing blight for the end purpose of land reuse, repurposing and/or redevelopment that benefits the surrounding residential community and helps reduce foreclosure.

The Round 2 application is now available and is due September 25, 2015. A webinar offering technical assistance on the application will be held on August 20, 2015. Sign up at hhfbrpinfo@ihda.org to receive webinar instructions.

Round 1 funding was approved at the March 20, 2015 meeting of the Members of the Authority. Information about Round 1 funding can be found here.

Round 1 Participants:
- April 15, 2015 BRP Round 1 training webinar
- Unit Substitution Form
- Unit Definition Exception
- Updated Program Guide

Additional Information:
- October 8, 2014 BRP Pre-application webinar
- More information on the overall process and eligibility is in our BRP FAQ.
- A comparison of the Blight Reduction Program and the Abandoned Property Program can be found here.

For questions about the Blight Reduction Program or to be added to the distribution list for future application rounds, email hhfbrpinfo@ihda.org.

For more information:
http://www.ihda.org/government/BRP.htm

Questions to: hhfbrpinfo@ihda.org
EPA Region 5
Residential Demolition
Bid Specification Development Tool
Communities can download the toolkit at: http://1.usa.gov/15yzqyt
3. Highlighted Demolition Modifications to Improve Environmental Results

One of the goals of developing the residential demolition bid specification development tools is to assist cities, counties, land banks and other organizations in developing high-quality detailed contract language that will result in an environmentally demolition process. Integral to this process is providing adequate project field oversight in order to ensure that contractors are performing the work as specified, and yielding the benefits that these specifications are designed to produce. The following sections outline the recommendations and best management practices that are included in the specific sections in the Appendix. Each city, county, land bank, or other entity will need to assess its own current practices, markets, and resources in order to determine which, if any, modifications will have the greatest impact and are most feasible. When the specifications reference demolition requirements, waste handling and disposal regulations, or worker protection measures U.S. EPA or the Occupational Safety and Health Administration (OSHA), those regulations must be met. All applicable statutory and regulatory requirements including environmental, workers protection, and historical preservation requirements must be met.

A. Conduct Pre-Demolition Inspections to Identify Waste Streams

One of the first steps for the demolition of a vacant home is to identify characteristics, and quantify the potential waste streams at the site. This may help ensure accurate bidding and the handling of waste disposal. The Pre-Demolition Survey bid specification development tool provides a list of the potential waste streams that should be considered for the survey. This may include asbestos-containing materials (ACMs), lead-based paint (LBP), polychlorinated biphenyls (PCBs), mercury containing wastes (Hg), general household wastes, and other potential hazardous wastes. Another useful set of data to be compiled during the surveys is an inventory of the items and materials that would be suitable for salvage and recycling. The Waste Management Plan specification tool offers guidance on developing a plan for procedures and methodologies to be used in the handling and disposal of the waste streams.

C. The inspection report must identify and quantify all waste streams identified during the pre-demolition survey.

SAVAGEABLE AND RECYCLABLE ITEMS

A. While conducting the pre-demolition survey, the inspection personnel shall also identify and quantify any items that may be salvaged or recycled prior to demolition. Table 1 attached to this specification may be useful in creating the inventory of salvageable and recyclable items.

B. To be eligible for salvage or recycling, items must be free of hazardous or special waste streams as identified in the preceding sections. Items must also be able to be removed without disturbing or releasing any residual hazardous materials. Otherwise, adjacent hazardous materials must be removed properly and in accordance with federal, state, and local regulations prior to removal of the salvageable or recyclable items.

C. The contractor should contact the local building material reuse store to determine whether the reuse store is able to accept older materials that have been coated with LBP. There may be state and local laws or regulations that address the management, handling, or sale of materials containing LBP.

D. Salvageable materials may include:

1. Doors
2. Door frames
3. Millwork
4. Windows
5. Window frames
6. Door frame fixtures
7. Brick
8. Wood flooring
9. Cabinets
10. Furniture
11. Major appliances
12. Hot water radiators
13. Hardware

E. Recyclable materials may include:

1. Metals from steel frames
2. Plumbing
3. Wiring
4. Wallboard
5. Carpeting
6. Roofing materials
7. Wood
8. Asphalt
9. Concrete
10. Appliances
11. Certain special wastes, such as electronics or scrap tires

F. The pre-demolition survey report should also identify what items are required to be removed for salvage or recycling prior to the demolition of the structure. This information will assist the contractor in developing the sequence of removal in the Waste Management Plan.
Menu of Bid Spec Modifications to Improve Demo Practices

- Soils for Earthwork
- Placement of Fill
- Grading
- Soil Stabilization and Seeding
- Impervious Surface Removal
- Pre-Demolition Survey
- Asbestos NESHAP Compliance
- Managing Harmful Dust
- Waste Management Plan
- Recycling and Salvage
- Waste Handling and Disposal
- Deconstruction
Asbestos?

- Tires
- Illegal dumping
- Mercury, freon, lead...
- Salvageable items
- Hazardous conditions
Waste Management Plan

Where do materials go once building demolished?

- Landfill
- Salvage
- Recycling
- Hazardous
Self-Check: Are the following procedures outlined in the Deconstruction Work Plan?

1. Scheduling
2. Inventory of items to be salvaged
3. Inventory of materials to be diverted for recycling
4. Sequence of deconstruction
5. Contractor qualifications and experience
6. Training for deconstruction contractors
7. Salvage markets
8. Salvage Material Management Plan (to align with the Waste Management Plan)
9. Deconstruction permitting
Incorporating Deconstruction, Salvage, and Recycling

- Assess deconstruction potential - Deconstruction Rapid Assessment Tool
  - Considers building characteristics ex: size, year built, possible hazards, architectural finishes
  - Editable depending on program goals
  - Already being used in Detroit, MI and Gary, IN

- Processing capacity and end markets needed

- Checklist and instructions available at: http://go.usa.gov/3sabR
Prevent fugitive dust through adequate wetting

[A garden hose is not adequate]
Removed impervious surfaces

Basement removed

Reuse
Recycle
Landfill
Sandy loam allows infiltration

Backfill testing for contaminants

← Sandy loam
No-mow seed mix and straw

Backfill testing for contaminants

Uncompacted topsoil
Sandy loam

Waste Management Plan
Where do materials go once building demolished?

Reuse
Recycle
Landfill

Asbestos?
Remember:
You Only Get One Chance
to Make a First Demolition

Webinar: New EPA Residential Demolition Tools Available For Local Communities

Monday, August 24, 2015
11:00 AM - 12:30 PM Central

Learn how to improve residential demolition practices on this US EPA webinar-
https://attendee.gotowebinar.com/register/5637443873920890370
QUESTIONS?