



2011 Community Revitalization Programs

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Community Assistance Team

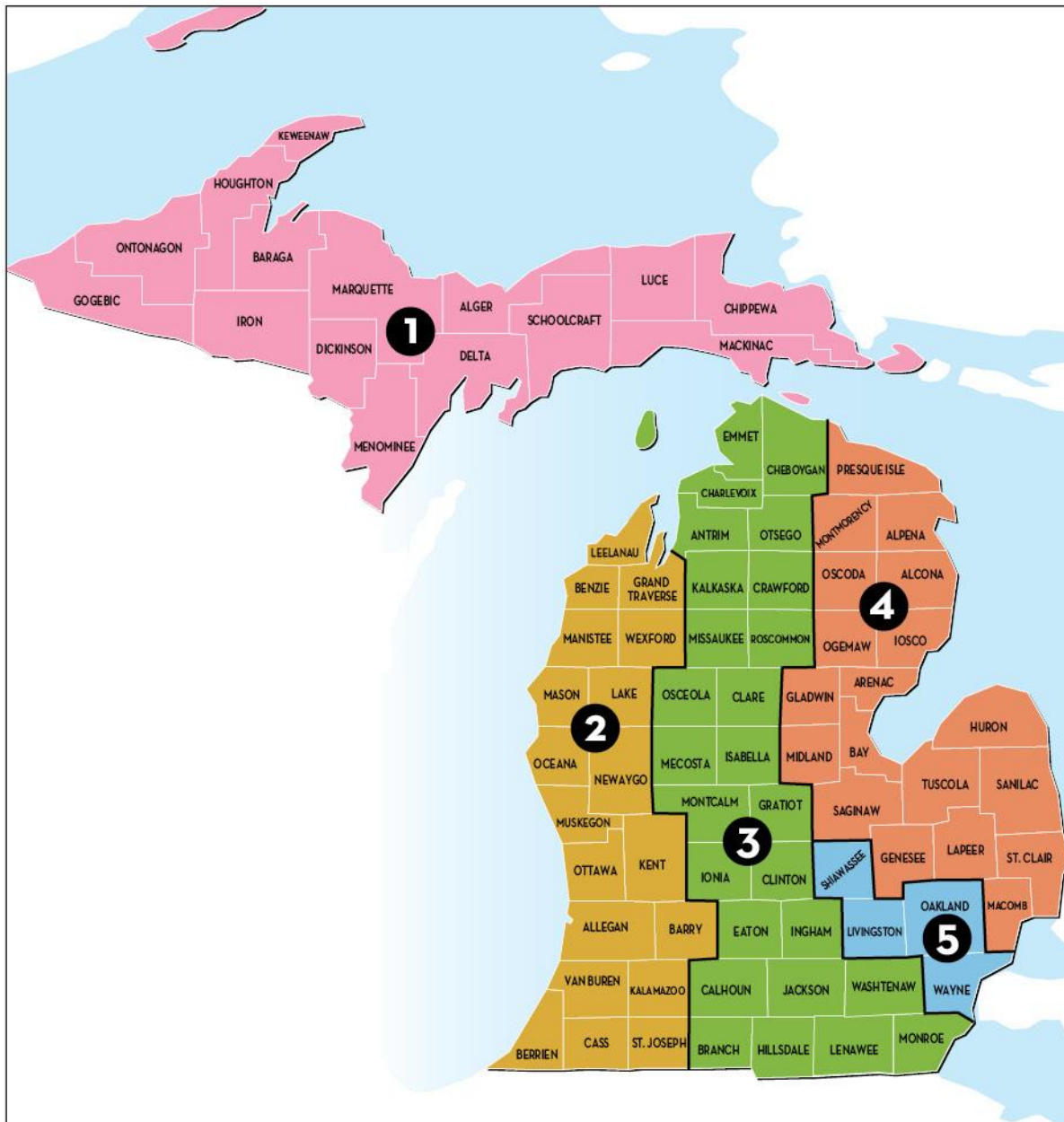
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www.michiganadvantage.org/CAT



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2011 Brownfield Program

- Act 381 Work Plans (TIF)
- ~~Brownfield Tax Credits~~ (Discontinued)
- Community Revitalization Program
(effective 10/1/11)

www.michiganadvantage.org/Brownfield-Redevelopment

Act 381 Work Plans

- » PA 381 Work Plans allows Brownfield Redevelopment Authorities (BRA) to capture state and local property taxes to pay for eligible costs related to Brownfield sites.
- » Projects seeking the use of state school tax capture must receive approval from the MEGA Board **BEFORE** undertaking the activities thru an Act 381 Work Plan request.
- » 3 years to complete eligible activities.
- » MEGA will allow state tax capture in the same proportion to local tax capture.

Act 381 Work Plans

Two types:

» MDEQ for Eligible Environmental Activities:

- Act 381 Work Plan Preparation
- Phase I & II ESAs
- BEAs
- Due Care Activities, and
- Additional Response Activities.

» MEGA for Eligible Non-Environmental Activities

- Brownfield Plan and Act 381 Work Plan Preparation
- Interest

MEGA Act 381 Work Plan Eligible Activities

Program-Specific Eligible Activities

“Non-Environmental”

Act 381 Work Plans

» MEGA Eligible Property Qualification (Statewide):

- Facility;
- Functionally Obsolete;
- Blighted, or;
- Is tax reverted property owned or under the control of a Land Bank Fast Track Authority.
- Includes property that is adjacent and contiguous to property qualifying as either a facility, functionally obsolete or blighted within the project.

Act 381 Work Plans – MEGA Eligible Activities

Statewide: Demolition



Act 381 Work Plans – MEGA Eligible Activities

Statewide:
Lead & Asbestos Abatement



Act 381 Work Plans –

MEGA Eligible Activities

Qualified Local Governmental Units (QLGUs) as defined in PA 146 of 2000 (OPRA) also known as “Core Communities”:

- **Infrastructure Improvements**
- **Site Preparation**

Act 381 Work Plans – MEGA Eligible Activities

QLGUs:

Infrastructure
Improvements



Act 381 Work Plans – MEGA Eligible Activities

QLGUs:

Site Preparation



Background: What is a Brownfield?

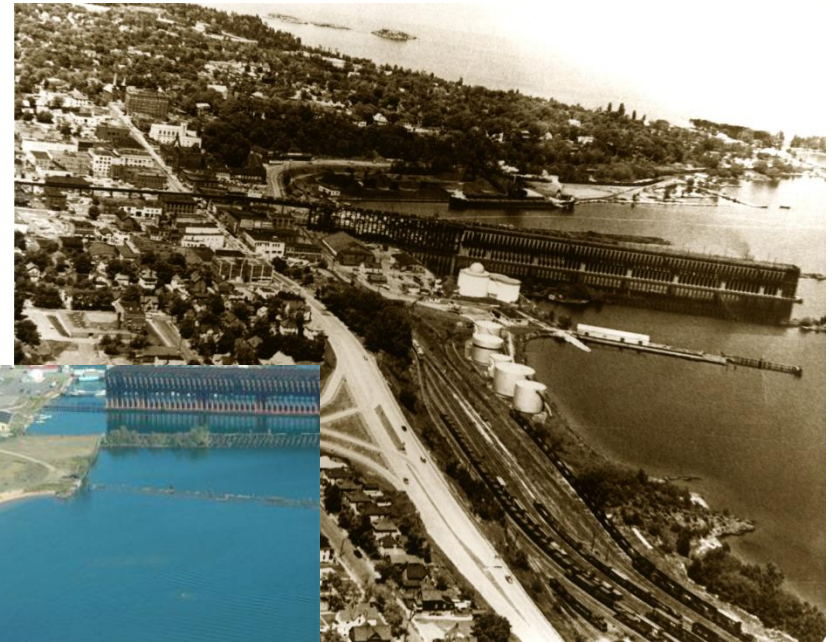
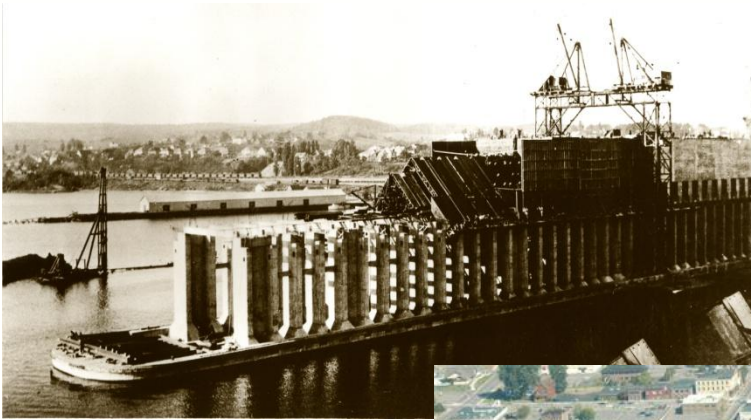
Blighted - (1) Attractive nuisance to children, utilities permanently disconnected, fire hazard, subsurface debris
(2) Designated by local government





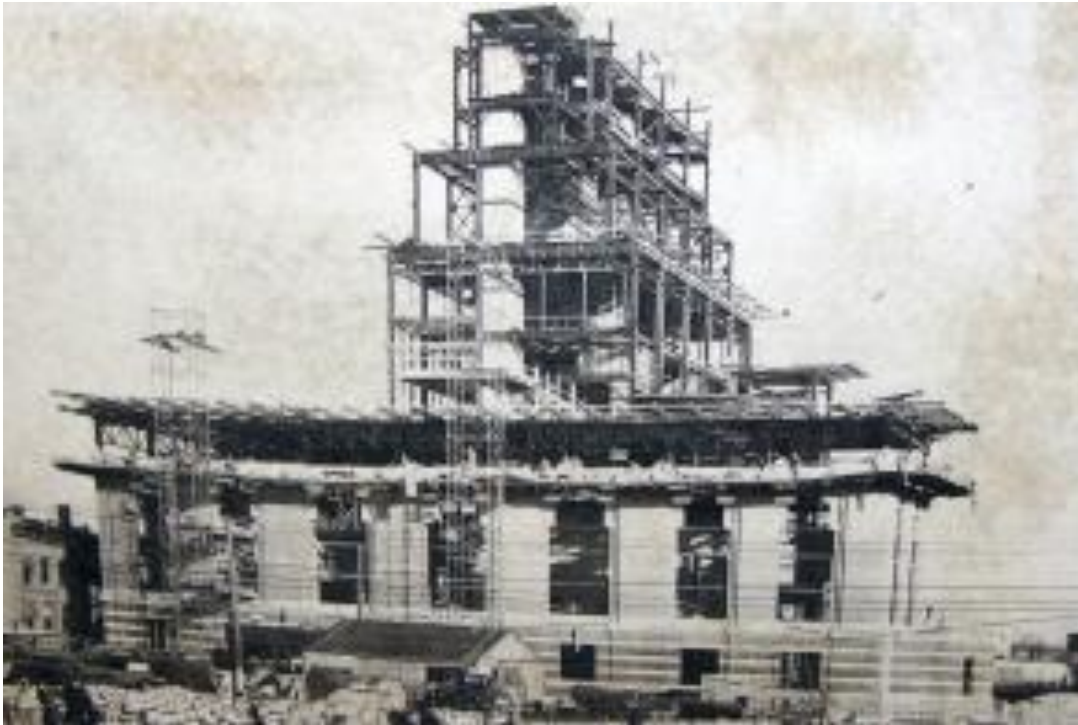
Background: What is a Brownfield?

Facility - Contamination exceeds residential criteria



Background: What is a Brownfield?

Functionally Obsolete Property - Unable to perform the function it was originally intended for (need level III or IV assessor)



Community Revitalization Program

- Replaced former “Brownfield” and “Historic” programs
- Vouchers (Grants)
- Capital Contributions (Loans)

Community Revitalization Program

- » **\$100 million added to the Michigan Strategic Fund for brownfield, historic, and attraction.**
 - » **Part of \$175 million added for Economic Development.**
 - » **Funds would be available starting October 1, 2011** *(PA 63 of 2011, signed on June 21, 2011).*
 - » **Does not have to be designated as a brownfield to receive incentive.**
- » **Program includes loans, grants, or equity contribution.**
 - » **Unless seeking TIF, will not necessitate the approval of a brownfield plan.**

Community Revitalization Program

Funding Limits: (tentative)

25% of the eligible project investment, not to exceed a total of \$10,000,000 per project*.

***Grants are limited to \$1,000,000 per project.**

Project Requirements:

- Community must make a staff, financial or economic commitment to the project.
- Project must be located in a downtown or traditional commercial center.

Community Revitalization Program

Potential projects should:

- Have importance to the overall community.
- Meet program job creation/retention requirements.
- Act as a catalyst for additional community revitalization.
- Have high financial commitments.
- Demonstrate the applicant's financial need for the incentive.
- Reuse vacant and/or historical buildings if possible.

Community Revitalization Program

Other funding considerations:

- Is the project financially and economically sound?
- Will the project promote density in the downtown?
- Will the project promote mixed use development, walk able communities, or sustainable development?

Program Process

- Funds appropriated to MSF
- MSF will approve programs, applications, and any approval or compliance process
- MSF Board may delegate to MSF President approval of smaller projects (similar to MEGA process)
- Projects will apply and be reviewed by MEDC, who will administer programs for the MSF

Next Steps

- MEDC is working with Collaborative Development Council, other State Departments, and external practitioners to develop and refine the programs.
- Enabling Legislation Introduced
 - SB 556 (Business Development Program)
 - SB 566-568 (Community Revitalization Program)



Questions?





2011 CDBG Downtown Revitalization Program (Non-Entitlement Communities)



What is the CDBG Program?

- Community Development Block Grant (CDBG)
- Funded through US Department of Housing and Urban Development (HUD)
- MEDC and other state agencies administer CDBG Program

Is My Community Eligible?

- Small cities, townships and villages of less than 50,000 population
- Non-urban counties

Ineligible Communities

- Genesee County (except cities of Flushing and Linden)
- Kent County (except Cedar Springs)
- Macomb County
- Oakland County
- Wayne County
- Washtenaw County and the following communities:
Ann Arbor, Ann Arbor Township, Bridgewater Township, Northfield Township, Pittsfield Township, Scio Township, Salem Township, Superior Township, York Township, Ypsilanti City, Ypsilanti Township

Apply for CDBG funding directly from HUD!

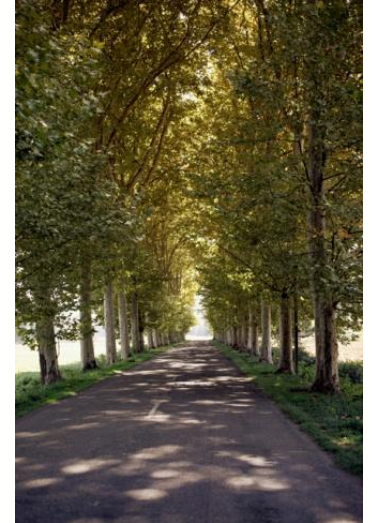
National Objectives

All Projects Must Meet One National Objective

- Benefit to Low and Moderate Income Persons
- Elimination or Prevention of Slum or Blight
- Meeting Other Community Development Needs Having a Particular Urgency

Environmental Review

- Assures safe, decent & sanitary environment
- Accounts for environmental impacts
- Ensures suitable project site
- Prevents time delays & cost overruns



Very Important-Environmental Review must be completed and SHPO sign off obtained before project activities start or costs are incurred!

Downtown Project Funding Categories

- Downtown Infrastructure (Job Creation)
- Downtown Infrastructure Grant (DIG) (Area Wide Projects)
**Competitive*
- Façade Improvement
- Signature Building Acquisition
- Blight Elimination
- Planning & Market Studies
- Farm to Food **Competitive*
- Rural Development
- Innovative and Unique Economic and Community Development

Downtown Infrastructure Grants

- All Projects should be in the Downtown District (DDA, PSD, BID etc)
 - Public Infrastructure Projects
 - Examples:
 - Sidewalks, Street Lighting, Curbs, Gutters, Parking Lots, Sewer, Water, Streetscapes, etc
- Job Creation projects accepted at any time
- Job Creation projects should create private investment.
- 51% of the total jobs created must be for Low to Moderate Income persons.
- Grant Limits - \$750,000 – maximum; \$60,000 – minimum
- Minimum 10% Local Match

NOTE: If a community is Low/Mod then the job creation requirement can be waived and it can qualify as Area Wide Benefit and apply in a competitive round.

Facade Improvement Grants

- Assists communities in making physical improvements to targeted areas of traditional downtowns
- Projects qualify through:
 - job creation, or
 - area-wide benefit in Low Mod Communities.
- Grant Limits-\$400,000 max/\$30,000 min
- Minimum 25% or 50% local match
- Public Contribution



Façade Projects Should Include:

- Building located in the core downtown
- Front and/or rear façades facing major public streets or public spaces (parking lots, parks, riverwalks, etc)
- Significant improvements made to *entire* façade
- Project should include improvements more than just addressing maintenance issues

Examples- Removing slip covers, rehab of original materials, brick tuck pointing, replacement of missing cornices, door & window replacement, storefront rehabilitation, etc.

Façade Grant Requirements

- Use a licensed contractor
- Must bid the project
- Davis Bacon applies
- 5 year resale provision
- Be aware of SHPO sign off





Marine City Façade Before

Marine City Façade After



Signature Building Acquisition

- Assists communities seeking acquisition of vacant, partially vacant or substantially vacant underutilized signature buildings located in traditional downtowns
- Projects qualify through job creation (Up to \$20,000 per job)
- Project must produce 1 to 1 ratio - private investment to grant amount.
- Work with a Developer willing to create jobs and invest private funds into the downtown district
- Grant Limits- \$500,000 maximum
- Minimum 25% local match

Signature Building Acquisition

- Developer ready to take on the project at the time of application.
- Recent appraisal of the property to establish a fair market value.
- Be aware:
 - Complete application process before executing a *Purchase Agreement*
 - Must have an approved *Option Agreement*:
 - 5 year resale provision.

St. Ignace Signature Building Project

- 3 commercial buildings
- Full Service Grocery Store
- 14 Jobs Created
- Funds:

CDBG Grant \$270,000

Private Match \$ 90,000

- Budget:

Property Acquisition \$360,000

Renovations to building \$430,000

Total Project \$790,000





St. Ignace Signature Building Before

St. Ignace Signature Building After







St. Ignace Signature Building After

Planning & Market Studies

- 50/50 matching grants for communities to hire a private consultant of their choice to conduct Planning and Market Studies.
- Funded Studies typically are:
 - Downtown Market Study
 - Planning/Building re-use
- Grant Limits-\$100,000 Maximum

Note: All Planning Grants must be Project Based

Elimination of Blight

Communities may request funds to assist in the removal of spot blight

Funds may be used for:

- Site clearance/demolition
- Property acquisition
- Historic preservation
- Building rehabilitation*



Elimination of Blight Project Requirements

- Viability
- Matching Funds
 - priority given to projects with 25% or greater total project match
- Eligibility
- Maximum Grant of \$1,000,000





CATeam Community Guide



www.michiganadvantage.org/cat

A Great Resource Available 24/7





Technical Assistance

TIF Legislation

Downtown Development Authorities-PA 197 of 1975
Corridor Improvement Authorities- PA 280 of 2005
Local Development Finance Authorities-PA 281 of 1986

Tax Abatement Legislation

Commercial Rehabilitation Act-PA 210 of 2005
Commercial Redevelopment Act-PA 255 of 1978
Obsolete Property Rehabilitation Act-PA 146 of 2000
Neighborhood Enterprise Zone Act- PA 147 of 1992

Other Legislation

Principal Shopping District-PA 120 of 1961
Business Improvement District-PA 120 of 1961



Questions?

