



Frequently Asked Questions

FY2023-24 Blight Elimination Program

Rounds 3 and 4

Updated January 19, 2024

CHANGES TO OBLIGATION DATES

Why has the obligation date been removed from the funding schedule?

*In November, 2023, the US Department of Treasury issued an interim final rule which specifically discusses the topic of obligation. The execution of a Round 3 or Round 4 Grant Agreement meets the requirement of obligating the funds. **The grantee no longer has a deadline of August 1, 2024, to obligate the funds.** However, in an effort to make sure all funds will be expended, grantees for Round 3 will be held to the project proposals for pre-approval submission date of March 31, 2024. Any dollars not included in a budget for an approved project will be re-allocated to an eligible grantee for an eligible project. All projects must be completed by September 30, 2026.*

UNIFORM RELOCATION ACT

Does the Uniform Relocation Act apply to properties purchased for Rounds 3 and/or 4?

Yes, but only on any properties purchased from a private owner. Purchase must be voluntary and include the use of a written and signed notice that it is voluntary and the seller understands they are not eligible for URA services.

GENERAL QUESTIONS

How are Rounds 3 and 4 different than Rounds 1 and 2?

Rounds 1 and 2 were funded with State general funds. This allowed SLBA to be as flexible as possible to make the grants easier to utilize. Rounds 3 and 4 are funded with federal ARP funds, commonly referred to as SLFRF, and have certain regulations that must be followed. SLBA will be working to make these as understandable as possible.

What are the eligible activities in Rounds 3 and 4?

- Demolition
- Stabilization
- Rehabilitation
- Environmental Remediation Gap Funding
- Administration

If the project is not completed by its stated end date, what happens?

Rounds 3 and 4 dates for Grantees are set to allow the SLBA time to settle and assemble everything before our deadlines, so these dates are not negotiable. No reimbursements can be made after 9/30/26.

We have a proposed project that we are hesitant to allow go through our land bank. Are we required to accept all projects proposed?

If you have concerns about the project or your capacity, you do not have to accept the proposed project. This is not a one-size fits all grant – it’s ok to say no.

Will the SLBA provide lien documents for properties remaining under private ownership?

In most instances, yes, the SLBA will provide those documents and will file them with the local Register of Deeds office. An exception to this happens if the LUG is authorized by the court system or local ordinances to put a lien on the property.



Blight Elimination Funding

Round 1	Round 2	Round 3 (ARPA funds) *	Round 4 (ARPA funds) *
<ul style="list-style-type: none">Released 10-01-2022Proposals Due 01-31-2023Project Completed 12-31-2023	<ul style="list-style-type: none">Released early April 2023Proposals Due 05-31-2023Project Completed 08-31-2024	<ul style="list-style-type: none">Letters of Acceptance of Grant Funds by Local Land Banks** Letters sent out by 07-10-2023 Responses Due 08-1-2023Grant Agreements Issued to Local Land Banks** Sent by 08-31-2023 Approved & Executed by 09-30-2023Proposals Due for Pre-approval 03-31-2024Project Completion 09-30-2026	<ul style="list-style-type: none">Competitive RFP Release 10-1-2023Proposals Due 12-8-2023Awards Announced/Grant Agreements Issued 02-15-2024Project Completion 09-30-2026

*Dates may be subject to change
**Land banks must have IGA's filed by 7/31/23 to receive a grant agreement.

CAPACITY AND FINANCE

We do not have the capacity and/or experience to oversee projects with our current staff in our office. Can the SLBA assist?

The SLBA does not have capacity in these rounds to directly assist with project management. SLBA staff and a SLBA-hired compliance consultant will be available to answer general questions and give guidance. You can use your administrative funding percentage to engage a project manager on your behalf. We recognize the risk of non-reimbursement and want to mitigate that with the compliance consultant that we will provide to help on the paperwork side of these grants.

How are smaller counties managing their projects? Is it acceptable to pay county staff out of admin grant dollars?

Land banks and LUGs of all sizes are utilizing third-party administrators to assist with the administration of these grant dollars. Payment for these services is an administrative expense and not an eligible project expense. Land bank and LUG staff are also engaging in administering the funds and their time can be documented and reimbursed as an administrative expense. Neither third parties nor staff engaged in administrative activities can be reimbursed under eligible direct costs; for example, time spent on site to photograph the open hole of a demo project is administrative and should be charged against the up-to-8% Administrative budget.

If we are working with a private owner or future developer, how much involvement can they have in overseeing the eligible activity?

Neither a private owner nor a future developer can oversee or administer the eligible activity. The grantee's staff or third-party administrator should have that role. The owner and/or future developer may not engage in any part of the eligible activity, i.e. perform abatement, be the demolition contractor, etc.

Is there any possibility of receiving an advance of grant funds? We are a smaller land bank/LUG with a small fund balance?

The SLBA cannot advance grant funds. There are some other options available such as getting up front funding from local foundations, the county, a non-profit, etc., that we can talk about. Contact your Grant Manager about your specific situation.

We are a small/new Land Bank and we currently do not have any funds on hand. If we were to ask for an advance from the County Board of Commissioners to help pay the expenses when the bills come in, would this present an issue in the reimbursement process?

This is a great solution to funding projects and does not impact your reimbursement. We have also seen developers or a local nonprofit providing up front funds to make projects happen. Be aware that we will reimburse the grantee and it is up to the grantee to forward funds back to the financial backer. We recommend that there be a written agreement protecting the parties involved.

ROUND 3 PROJECT APPROVALS

Can Round 3 grantees submit projects for review and approval on a rolling basis, or do all projects need to be submitted at the same time?

*Round 3 grantees can submit projects at any time **until the deadline of March 31, 2024**, for review and approval by the SLBA. Written approval, in the form of a Notice to Proceed, will be returned to the grantee. Any expenditures incurred before the written Notice to Proceed is issued are not*

eligible for reimbursement. We encourage grantees to consider their financial situation when planning and submitting proposals together.

Do Round 3 grantees need to submit a budget of the proposed activity?

Round 3 grantees must provide a budget for their submitted proposals. We have provided the budget form on the new Blight Elimination Program page on our website. Here is the direct link to the page. Click on "Required Round 4 Blight Elimination Budget Form" and a file will appear.

<https://www.michigan.gov/leo/bureaus-agencies/landbank/requests-for-proposals-and-qualifications/blight-elimination-program>

BROWNFIELD PLANS

If we do a Brownfield plan on a demo project, can we reimburse the land bank through Brownfield TIF?

No, the grantee cannot be reimbursed twice for the same eligible expense. An eligible property may be placed in a Brownfield plan, but the grantee may only be reimbursed once for an eligible expense. E.g., if a grantee is reimbursed for demo expenses by the BEP, those same demo expenses may not be reimbursed by the Brownfield TIF. Other expenses that are not eligible expenses for BEP reimbursement, but that are eligible activities for Brownfield TIF reimbursement, may be reimbursed by the Brownfield TIF.

FEDERAL REGULATIONS

Do prevailing wage regulations, or Davis-Bacon rules, apply to Rounds 3 and 4?

Yes, these grants are being made with federal funds and so prevailing wage requirements will apply. A prevailing wage is the basic hourly rate of wages and benefits paid to a number of similarly employed workers in a given geography. Reporting requirements will be part of your quarterly report and include self-certifications from the contractors and one sample payroll/copy of check during the reporting period. Prevailing wage sounds intimidating at first but is actually very easy to manage in general. Because of the tight employment market, many contractors already pay in excess of prevailing wage. For instance, in NW Lower Michigan nonmetropolitan area, the range for a Carpenter is \$16.74 to \$25.72 per hour on the federal scale; the State scale in Charlevoix County for a Carpenter is \$43.62 per hour. <https://www.dol.gov/agencies/eta/foreign-labor/wages> OR <https://www.michigan.gov/leo/bureaus-agencies/ber/wage-and-hour/dtmb-prevailing-wage> **Please note that the offered wage must be at, or above the federal or state or local minimum prevailing wage, whichever is higher.** With the listed example, the State scale would be what is paid. It is important to provide those wage scales in your requests for bids.

Does Davis-Bacon Act apply to demolition projects?

In most cases, Davis-Bacon Act requirements will not apply to demolition activities. Please refer to the Guidelines for more information on the specific cases when Davis-Bacon applies to demolition.

I notice in our Grant Agreement that contractors are required to complete a Byrd Anti-Lobbying Amendment form. Where can I find a Byrd Anti-Lobbying form to use for this requirement?

<https://detroitmi.gov/sites/detroitmi.localhost/files/2021-12/BYRD%20Anti-Lobbying%20Amendment%20Certification%20%281%29.pdf>

OWNERSHIP

Can we start acquiring property after Round 3 grant agreements are signed?

Grantees are cautioned not to proceed with any expenditures until the project is submitted and approved in writing by SLBA. Any funds spent before that approval may not be reimbursable. We recommend that you consider a purchase agreement with funding as a contingency as appropriate to your situation. For Round 3 grantees, acquisition must not occur until you receive a Notice to Proceed from SLBA in order to qualify for reimbursement.

What does publicly owned mean? Can a land bank be a partner in order for something to be publicly owned?

To be considered publicly owned, a governmental unit (county, township, city, village or land bank) must be able to produce a deed in their name. Ownership must be 100% in the name of that governmental unit. A property cannot be placed under public ownership and then returned back to the previous owner or related entity after completion of the eligible activity.

How long would the land bank need to be the owner for something to be considered publicly owned?

Public ownership can occur following the approval of the project. It does not have to be owned in advance. Acquisition is an eligible expense for demolition, stabilization and rehabilitation.

GRANT REIMBURSEMENTS

How are payments made on the projects under our Grant Agreement?

All payments are reimbursement-based. We will process payments at the conclusion of your project. If you have several projects submitted and approved between now and 3/30/24, each one can be reimbursed when completed. You don't have to wait for all of them to be completed. If a land bank or local unit of government (LUG) has insufficient capital to fund an entire project, please contact the SLBA Grant Manager listed in your Grant Agreement to discuss options.

If for some reason the project invoices are denied reimbursement by the SLBA, is the county land bank responsible for payment since we are the applicant?

If it is found to be an ineligible expense, procured improperly, or the Grantee engaged an unlicensed contractor, etc., we can't reimburse those ineligible expenses. If you have a subrecipient, i.e., a city or village, it should be in the MOU or agreement who is responsible for ineligible costs. To help avoid this situation, we will require demolition and rehabilitation training for Rounds 3 and 4. Additionally, we will be engaging a compliance consultant for local land banks and LUG's to utilize to help avoid non-compliance issues. Grantees with less experience may have a stricter requirement to utilize the compliance consultant than other grantees with more experience.

PROJECT QUALIFICATIONS

Where do I find our qualified census tracts (QCTs)?

67 counties have been determined by the federal government to have a median household income below the 300% federal poverty guideline and so the entire county qualifies as an eligible tract. Those counties are:

Alcona, Alger, Alpena, Antrim, Arenac, Baraga, Bay, Berrien, Branch, Calhoun, Cass, Charlevoix, Cheboygan, Chippewa, Clare, Crawford, Delta, Dickinson, Emmet, Genesee, Gladwin, Gogebic, Gratiot, Hillsdale, Houghton, Huron, Ingham, Ionia, Iosco, Iron, Isabella, Jackson, Kalamazoo, Kalkaska, Keweenaw, Lake, Lenawee, Luce, Mackinac, Manistee, Marquette, Mason, Mecosta, Menominee, Missaukee, Montcalm, Montmorency, Muskegon, Newaygo, Oceana, Ogema, Ontonagon, Osceola, Oscoda, Otsego, Presque Isle, Roscommon, Saginaw, Sanilac, Schoolcraft, Shiawassee, St. Clair, St. Joseph, Tuscola, Van Buren, Wayne and Wexford.

Twelve counties have specifically identified QCTs for which all activities are able to meet eligibility requirements. The only eligible activity outside a QCT is rehab with a sale to a qualified beneficiary – namely a household below 80% AMI. To identify those QCT areas, here are some resources to use:

- State of Michigan map provided by DTMB: [Qualified Census Tracts \(arcgis.com\)](https://arcgis.com).
- The federal government map: https://www.huduser.gov/portal/sadda/sadda_qct.html. (use 2022 data)
- In table form: <https://www.huduser.gov/portal/qct/index.html>. (use 2022 data)

4 counties – Barry, Benzie, Leelanau and Livingston – have no QCTs and can only engage in the rehabilitation activity with a sale to a qualified beneficiary – namely a household below 80% AMI.

Where can I verify an address is in a certain census tract?

<https://geocoding.geo.census.gov/geocoder/geographies/address?form>

ENVIRONMENTAL REMEDIATION

Do you have additional details on the eligible activities for the environmental remediation track?

The environmental remediation activity specifically references the use of these funds as gap or match funding needed to comply with the Department of Environment, Great Lakes and Energy (EGLE) standards. It is reasonably inferred that the respondent or grantee must already know the site is not in compliance and that partial funding from other sources is available to address the contamination. Secondary site issues such as removing slabs, debris removal from illegal dumping, removal of hazardous trees, etc., may be considered an adjunct part of the remediation process.

Can we engage in a Phase I and/or Phase II ESA as an eligible environmental remediation activity?

Phase I and/or Phase II ESAs are not eligible activities if the project is an environmental remediation project using only blight elimination program funds. For instance, the preparation of Phase I, II and/or BEA as the only activity in this category is not an eligible project. A Phase I and/or Phase II ESA is an eligible activity within the categories of demolition, stabilization (rare), or rehabilitation on commercial or industrial properties. It may also be an eligible activity under the environmental remediation category with the caveat that it is 1) not a stand-alone activity; and 2) the grantee/respondent has other funds to address both the reports and follow up remediation as a whole project.