



MIKE DEWINE

★ OHIO ATTORNEY GENERAL ★

MOVING OHIO FORWARD GRANT PROGRAM

Demolition Guidelines (Revised 6/21/12)

FIRST ROUND

Application Submission Deadline:

July 2, 2012 - 5:00 p.m.

Grant Award Date:

August 1, 2012

Project Completion Date:

December 31, 2013

Final Drawdown Submission Date:

January 31, 2014

Final Performance Report Due Date:

December 31, 2014

Prepared By:

Ohio Attorney General's Office

Mortgage Foreclosure Unit

May 4, 2012

Revisions:

- 1. The Application Submission Deadline has changed from June 30, 2012 to July 2, 2012.**
- 2. All references to the reimbursement process have been changed to a reimbursement /disbursement process.**
- 3. Clarified the match options on page 7.**
- 4. A “Eligible Demolition Program Costs” chart has been added to further describe the difference between administrative costs, hard costs, soft costs, and ineligible costs on pages 9-10.**
- 5. The contractor release of lien requirement on page 10 has been deleted.**

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Funding

Introduction

On March 12, 2012, Ohio Attorney General Mike DeWine settled with five of the nation's largest mortgage servicers over foreclosure abuses, fraud, and unfair and deceptive mortgage practices. Ohioans will receive numerous benefits from the settlement including its share of \$330 million in relief through loan modification, principle reduction, and interest rate refinancing programs. The Attorney General received directly \$93 million to help with foreclosure prevention, assistance to individuals who have experienced foreclosure, and revitalizing neighborhoods by removing blighted properties. Subsequently, the Attorney General allocated a total of \$75 million to all 88 counties in Ohio to demolish vacant, abandoned and blighted properties that detract from existing home values and create a toxic breeding ground for crime. One Lead Entity per County, acting in collaboration with all local governments and other interested organizations within each County, may apply for Moving Ohio Forward grant funds in efforts to reclaim neighborhoods by demolishing blighted structures.

Allocation of Funds

Based on the need to remove blighted properties in every part of this State, the Attorney General has allocated funds to all 88 counties in Ohio. The allocation formula is based on the percentage of foreclosures filed in each county between 2008 - 2011. Lead Entities must apply and be approved in accordance with the established eligibility criteria before funds will be obligated. Funds will remain dedicated to a County until December 31, 2013. The funds may be reallocated if no application is submitted or if funds remain unspent on eligible reimbursement/disbursement projects. The allocation is as follows:

Adams	\$121,607	Delaware	\$858,959
Allen	\$636,262	Erie	\$472,871
Ashland	\$270,126	Fairfield	\$844,803
Ashtabula	\$691,790	Fayette	\$188,208
Athens	\$151,198	Franklin	\$8,203,091
Auglaize	\$215,777	Fulton	\$217,918
Belmont	\$207,935	Gallia	\$89,019
Brown	\$328,464	Geauga	\$432,374
Butler	\$2,679,701	Greene	\$727,796
Carroll	\$133,915	Guernsey	\$185,552
Champaign	\$245,873	Hamilton	\$5,838,920
Clark	\$943,020	Hancock	\$406,105
Clermont	\$1,173,073	Hardin	\$167,870
Clinton	\$288,752	Harrison	\$64,884
Columbiana	\$576,119	Henry	\$135,062
Coshocton	\$197,534	Highland	\$292,931
Crawford	\$274,686	Hocking	\$157,775
Cuyahoga	\$11,850,744	Holmes	\$98,688
Darke	\$245,004	Huron	\$338,804
Defiance	\$181,089	Jackson	\$177,827

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Jefferson	\$277,274	Pickaway	\$277,302
Knox	\$404,328	Pike	\$101,266
Lake	\$1,496,117	Portage	\$812,800
Lawrence	\$223,447	Preble	\$330,351
Licking	\$1,029,355	Putnam	\$90,230
Logan	\$286,977	Richland	\$741,454
Lorain	\$2,081,001	Ross	\$384,442
Lucas	\$3,674,822	Sandusky	\$297,578
Madison	\$183,102	Scioto	\$277,487
Mahoning	\$1,531,680	Seneca	\$294,191
Marion	\$459,359	Shelby	\$254,066
Medina	\$931,476	Stark	\$2,343,607
Meigs	\$63,269	Summit	\$3,780,560
Mercer	\$129,435	Trumbull	\$1,275,797
Miami	\$575,536	Tuscarawas	\$359,207
Monroe	\$30,396	Union	\$291,939
Montgomery	\$4,178,732	Van Wert	\$156,586
Morgan	\$52,599	Vinton	\$46,111
Morrow	\$226,072	Warren	\$1,244,356
Muskingum	\$445,425	Washington	\$153,742
Noble	\$55,258	Wayne	\$426,204
Ottawa	\$222,450	Williams	\$188,895
Paulding	\$104,296	Wood	\$604,424
Perry	\$200,372	Wyandot	\$92,501

Lead Entity Eligibility

The Lead Entity is the award recipient and the responsible party with whom the Attorney General will execute a grant agreement for the grant funds. There shall be one Lead Entity per county. Where a county land reutilization corporation has been established, it shall be the Lead Entity for that county. If a county has not created a county land reutilization corporation, one local government within that county may submit a Lead Entity application. The Lead Entity application must demonstrate collaboration with all potential subrecipients within that county. Any collaboration between the Lead Entity and other local governments or non-profit organizations must be documented in the Application.

Subrecipient Agreement

The Lead Entity must enter into a subrecipient agreement with end users of any award. A subrecipient agreement between the Lead Entity and other end users (e.g., other local governments, non-profit organizations, community development corporations, regional planning commissions, community action agencies, etc.) is required. The entities executing a 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 will be provided to the Lead Entity after a contract is signed with the Attorney General's Office.

Certifying Entity Responsibility

In Counties where no county land reutilization corporation is established, the County Treasurer shall be required to certify that the Lead Entity application is a collaboration among the local governments within that County. The receipt of more than one application per County will result in delaying the application process.

Program Administration

Program Period

The Attorney General anticipates receiving grant funds in June 2012. As a result, the Attorney General will accept the first round of Moving Ohio Forward grant applications between May 2012 and July 2, 2012. Grant funds will be obligated to successful applicants after execution of a grant agreement. All work must be completed by December 31, 2013. Lead Entities have until January 31, 2014 to submit reimbursement/disbursement request reports. A status report is required to obtain reimbursement/disbursement for completed work. A final report of demolitions and land reutilization is required by December 31, 2014.

Grant Amendments

Amendments to the final contracts may be proposed by a Lead Entity to increase the grant award up to the maximum allocation per county. Lead entities will not be required to submit an amendment request to modify the outcome or per unit cost projections as included in the application as long as they stay within their set limits of assistance. The Attorney General's Office will approve grant amendments on a case by case basis.

Grant Extensions

Due to the amount of residential structures ready for demolition, the Attorney General's Office will be reviewing drawdown and expenditures closely to ensure that the grant funds will be expended within the grant period. Additional application periods, including rolling application deadlines, are anticipated and planned. The Attorney General's Office reserves the right to recapture and reallocate grant funds that are not used in a timely or appropriate manner. The Attorney General's Office will approve grant extensions on a case by case basis.

Reimbursement/Disbursement of Grant Funds

The Attorney General's Office will review the grant award obligations at the sixth and twelfth month of the grant period. At the end of the twelfth month, any Lead Entity that has not submitted a request for payment of at least 50 percent of the grant award amount will be contacted and, if necessary, funds may be recaptured and reallocated.

A Request for Payment must be submitted by the Lead Entity. The completed documentation must be submitted to the Ohio Attorney General's Office, Mortgage Foreclosure Unit, 30 East Broad Street, 15th Floor, Columbus, Ohio 43215 or to

MovingOhioForward@OhioAttorneyGeneral.gov. The Attorney General's Office will not process a Request for Payment without an approved environmental review clearance. Incomplete reports will not be processed and will be returned to the Lead Entity.

Questions regarding the reimbursement/disbursement of grant funds should be directed to Finance by telephone at (614) 466-6963 or by e-mail at GrantsManagement@OhioAttorneyGeneral.gov.

Reporting

Two reports are required from Lead Entities under this program.

1. Reimbursement/Disbursement Request Report. This report must include documentation of demolition, including before, during, and after pictures of demolition activity for each address, expenses, matching funds as required, environmental reports, authority for demolition (title, consent, court order, etc.) and contractor release of liens. Reimbursement/disbursement requests are encouraged to be grouped together.
2. Final Performance Report. Lead Entities must provide a final performance report by December 31, 2014. This report must include the number of demolitions completed, expenditures including in kind contributions, and program accomplishments including community and economic benefits realized.

Program Income

The Moving Ohio Forward grant program encourages demolition programs to continue beyond the resources of this program. It is reasonable to anticipate revenues being generated during this process or as a result of recycling and reclamation, liens, assessments and final disposition of vacant properties. Any revenue generated from the demolition grant program will remain with the Lead Entity or subrecipient. Local governments should consider this potential revenue when negotiating contracts or bids with any vendor, as a source of matching funds, or for future demolition programs.

Match Eligibility

The goal of this grant program is to maximize the number of demolitions of blighted, vacant or abandoned residential structures. Recognizing the economic hardships facing local governments, the Attorney General does not require a match for the first \$500,000.00 allocated to each County. Moving Ohio Forward funds will reimburse additional expenditures over \$500,000.00 at a one to one match under one of the following options:

1. Reimburse 50% of a reimbursement/disbursement request per demolition project performed by outside contractors.
2. Reimburse 50% of a reimbursement/disbursement request of documented labor, material, and use of equipment costs per demolition project performed by a local government.

3. Reimburse 100% of a reimbursement/disbursement request with documentation of the demolition of a similar structure(s) in cost, or, if no demolition cost due to in kind contributions, similar in square footage, all within a 10% deviation. Demolitions or payments for demolitions will be considered if dated on or after May 1, 2012 and comply with these guidelines.

Federal funds, such as CDBG, NSP, and HUD, are ineligible as matching funds unless the local government is in fiscal emergency as defined in Chapter 118 of the Revised Code.

A Lead Entity should make every effort to include as many demolition payment requests as possible into a single reimbursement/disbursement request. The AGO reserves the right to hold reimbursement/disbursement requests for up to 30 days before processing payment to combine multiple reimbursement/disbursement requests into one payment.

Do not list match dollars greater than 100% of the required match amount.

Site Eligibility

The objectives of the Moving Ohio Forward grant program are to provide funding for residential anti-blight projects. This grant program does not permit using grant program funds or matching funds for commercial or industrial projects. Funds may not be used for purposes of maintenance or after demolition costs. Blighted, vacant or abandoned structures must be identified relying on the local governments' strategic plan and/or Community Housing Improvement Strategy for a particular area.

Activity Descriptions

Demolition of Blighted Structures/Land Banking

The demolition of blighted structures and land banking will result in property which is cleared and/or acquired and held for future reuse. Subsequent redevelopment of the properties will be at the discretion of the local governments pursuant to their strategic plans. The Moving Ohio Forward grant funds shall not be used for redevelopment.

When demolishing blighted structures, the Attorney General's Office recommends considering the efficient (green) use of resources, including the possibility of deconstruction. When using deconstruction techniques, the value of reusing resources must be weighed against the added costs and concerns about environmental hazards, such as lead-based paint, that may be present on the building components.

The demolition of structures which are not blighted, vacant, or abandoned is prohibited.

Acquisition of blighted residential property is anticipated through the tax-delinquent foreclosure process, nuisance abatement, condemnation, consent, and by other voluntary means of purchase. Moving Ohio Forward grant funds may not be used to purchase property.

Allowable Expenses

Invoices

Allowable reimbursable/disbursable demolition expenses include the cost of demolition contractors and vendors, environmental assessments and disposition, title searches and legal advertisements, and contract preparation or review.

Administrative and Operating Expenses

Reasonable administrative and operating expenses are eligible expenses, but may not exceed 5% of each reimbursement/disbursement request report. Total administrative and operating expenses shall not exceed \$100,000 per county allocation under this grant program. Such costs include general management and oversight, technical support services, monitoring and evaluation, preparing performance reports, and historic clearance. Additional expenses need to be approved on a case by case basis.

Eligible Demolition Program Costs

<p>General Administrative Costs (5% limit per completed demolition cost, with program totals not to exceed \$100,000)</p>	<p>Demolition Hard Costs (reimbursed 100% for completed demolitions)</p>
<ul style="list-style-type: none"> • General Management and Oversight of Program • Technical Support Services • Monitoring and Evaluation • Preparation of Reimbursement/Disbursement Requests • Performance Report Preparation • Local Historic Review/Assessments (OHPO clearance is not required) • State Audit(s) • Other expenses approved on a case-by-case basis by the AGO 	<ul style="list-style-type: none"> • Demolition of Buildings • Removal of Asbestos • Removal of other Hazardous Materials • Clearance of Structures (poles, fences, walls, driveways, service walks, etc.) • Removal of Underground Storage Tanks and Utility Services • Removal and/or Filling/Capping of Septic Systems and Wells • Clearance of Debris and Garbage • Site Restoration (grading and seeding) • Regulatory Permit and Inspection Fees • Other expenses approved on a case-by-case basis by the AGO

<u>Ineligible</u> Moving Ohio Forward Costs (no reimbursement)	Demolition Soft Costs (reimbursed 100% for completed demolitions)
<ul style="list-style-type: none"> • Acquisition of Real Estate • Payment of Real Estate Taxes and Tax Delinquencies • Payment of Tax Liens and Property Assessments • Payment of Delinquent Utility Costs • Marketing of Project Site(s) • Preparation of the Moving Ohio Forward Application including the Strategic Planning component • Litigation expenses • Property Maintenance 	<ul style="list-style-type: none"> • Environmental Assessments • Asbestos Surveys • Title Searches • Legal fees approved on a case-by-case basis for local governments without available legal counsel, contract preparation and review • Architectural/Engineering Fees, including cost estimates, bid specifications and job progress inspections • Legal/Bid Advertisements • Other expenses approved on a case-by-case basis by the AGO

Compliance Areas

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 a request for each reimbursement/disbursement request. Reimbursements/disbursements for partially completed items are prohibited.

Contractors

Screening of contractors:

The grantee 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 an adequate number of competent contractors. Public 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 Moving Ohio Forward grant program.

1. Liability insurance: Private contractors participating in a local demolition program must have adequate liability and property damage insurance.
2. Workers compensation: Private contractors with employees participating in a local demolition program must, at a minimum, be paying into the Ohio Workers' Compensation Program. Private contractors operating a sole proprietorship and who

have no employees are exempt from this requirement. However, they must have proof of adequate private medical insurance coverage.

3. Debarment: Check the Federal and State debarment list for additional evaluation. Checks may be made at <http://epls.arnet.gov>, and on the Ohio Secretary of State or State Architect's Office of Ohio websites.
4. Performance: The grantee must identify and document policies and procedures for barring poor performing contractors from continuing to participate in the program.
5. Certifications: Have policies regarding a Drug Free Workplace, and EEO.
6. Ethics: All Contractor personnel must be knowledgeable of and understand Ohio Ethics and Conflict of Interest Laws.

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 rescission" date has expired. Submit a copy of the contract with the reimbursement/disbursement request. The contract must as a minimum contain the following:

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

Environmental Review

The Lead Entities assume the role of Responsible Entity for the purposes of environmental review for all demolition activities.

Lead-based paint requirements:

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

Asbestos requirements:

Asbestos may be encountered during a demolition. A short publication of asbestos requirements for property demolition is available at <http://www.epa.state.oh.us/portals/41/sb/publications/AsbestosNotification.pdf>

An asbestos survey is required for all renovations and demolitions to determine (1) if there is any asbestos and then (2) if the asbestos is subject to the ODH and/or OEPA regulations. Definitions of an asbestos hazard abatement project are found in OAC Chapter 3701-34. Asbestos hazard abatement activities mean any activity involving the removal, renovation, enclosure, repair, or encapsulation of reasonably related friable asbestos-containing materials. FAQ is available from the Ohio Department of Health at http://www.odh.ohio.gov/ODHPrograms/DSPC/ASBES1/asb_faq/faqhaz.aspx. Prior notification of abatement is also required to the Ohio Department of Health <http://www.odh.ohio.gov/pdf/forms/hea5121.pdf>.

Every demolition of a facility meeting the threshold amounts of regulated asbestos containing material requires notification to the appropriate Ohio EPA district office or local air agency office depending upon which county the demolition will occur.” (See color coded map on the OEPA, DAPC website http://www.epa.state.oh.us/dapc/atu/asbestos/asb_cont.aspx. The notification form is available at http://www.epa.state.oh.us/portals/27/atu/asbestos/asbestos_inst_form.doc Notification requirements are found in OAC 3745-20-03 and the form is available at http://www.epa.state.oh.us/portals/27/atu/asbestos/asbestos_inst_form.doc

Any asbestos hazard abatement activities must include proper disposal. Record of disposal must be documented to fully complete the demolition activities. A Waste Shipment Record is available at

<http://www.epa.state.oh.us/LinkClick.aspx?fileticket=TqYHY5cLn8M%3d&tabid=2781>.

Instructions for Waste Shipment are available

at <http://www.epa.state.oh.us/LinkClick.aspx?fileticket=VfloT7d%2fvGg%3d&tabid=2781>.

Reimbursement/disbursement can be requested for a demolition activity by submitting all required forms, photographs, and documentation.

Demolition permit:

The city and/or county may also require a building demolition permit.

Policies and Procedures

All Lead Entities must have policies and procedures in place at the local level to effectively and consistently handle the details of each component of all activities, administration, construction management and compliance areas. These policies and procedures must incorporate all federal, state, and local regulations and guidelines.

Updates to this Guideline:

Any changes/corrections to any part to this Guideline will be posted on www.ohioattorneygeneral.gov website. It is the applicant's responsibility to check this web page frequently for any updates related to this grant. Changes and updates to this Guideline may be made from time to time. Any changes to these Guidelines after contracting with a Lead Entity will be reported directly to each Lead Entity. The Attorney General's Office 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 Attorney General's Office, including its agents, officers, and employees against any and all claims, liabilities and costs for any personal injury or property damages, or other damages that may arise out of or in connection with the Lead Entities' performance of a contract.

Definitions

The term "vacant" means that the property is currently unoccupied for at least 90 days, but was previously used for primarily residential purposes within the past 50 years, and that this use can be documented.

A home is "abandoned" when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

The term "residential" shall mean a structure that is: (1) on land zoned for residential use; (2) being used as a residential dwelling; (3) had been used as a residential dwelling; or (4) connected to any structure that is currently used or has previously been properly used as a residential dwelling as a mixed use.

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 seventy per cent 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:

1. A parcel that has one or more of the following conditions:
 - a. 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;
 - b. 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;
 - c. Tax or special assessment delinquencies exceeding the fair value of the land that remain unpaid thirty-five days after notice to pay has been mailed.

2. 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:
 - a. Dilapidation and deterioration;
 - b. Age and obsolescence;
 - c. Inadequate provision for ventilation, light, air, sanitation, or open spaces;
 - d. Unsafe and unsanitary conditions;
 - e. Hazards that endanger lives or properties by fire or other causes;
 - f. Noncompliance with building, housing, or other codes;
 - g. Nonworking or disconnected utilities;
 - h. Is vacant or contains an abandoned structure;
 - i. Excessive dwelling unit density;
 - j. Is located in an area of defective or inadequate street layout;
 - k. Overcrowding of buildings on the land;
 - l. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
 - m. Vermin infestation;
 - n. Extensive damage or destruction caused by a major disaster when the damage has not been remediated within a reasonable time;
 - o. Identified hazards to health and safety that are conducive to ill health, transmission of disease, juvenile delinquency, or crime;
 - p. 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.