

Blighted Homes Incentive Program Guidelines

The City of Springfield, Minnesota, (the "City") has established the "Blighted Homes Incentive Program" to encourage (a) the demolition of existing blighted homes and garages on properties located within the Springfield city limits and (b) the subsequent construction of new homes or accessory structures on said properties.

Requirements:

1. The Applicant(s) must be the owner(s) of the property.
2. The Applicant shall submit an Application for assistance from the City for the demolition and site remediation costs for a blighted property located within the Springfield city limits.
3. The Application shall include:
 - A. A letter to the City requesting demolition assistance and specifying the address of the property and the structures proposed for demolition.
 - B. Proof of ownership of the property.
 - C. A tentative timeline for the demolition of the structures on the property, together with the name of the demolition contractor, and estimates of the demolition costs and site remediation costs including landfill charges.
 - D. A description of the tentative plans and estimated valuation for the construction of a new home and garage or accessory structure (if applicable) on the property.
4. If the project is approved by the City, the Applicant shall be entitled to receive a reimbursement for a portion of the demolition and site remediation costs ("demolition assistance"). The amount of the demolition assistance is based on the estimated valuation of the proposed new construction (house/garage or accessory structure).

Demolition Assistance shall be calculated pursuant to the following schedule:

Estimated Valuation of New Construction: \$0 - \$25,000

Maximum Demolition Assistance: \$2,500

Estimated Valuation of New Construction: \$25,000 - \$75,000

Percentage of Costs to be Reimbursed: 50%

Maximum Demolition Assistance: \$5,000

Estimated Valuation of New Construction: \$75,000 & Above

Percentage of Costs to be Reimbursed: 100%

Maximum Demolition Assistance: \$10,000

5. After approval of the application by the City, the Applicant shall have the period of six (6) months to demolish the blighted structures. The Applicant or contractor shall obtain a demolition permit from the City prior to the demolition.

6. Upon satisfactory completion of the demolition/site remediation, the Applicant shall provide the City with paid receipts for the demolition, landfill, and site remediation costs. Costs for legal, abstracting, surveying or other fees not directly related to the demolition and reclamation of the site are not eligible. The City shall then issue a check to the Applicant for the demolition assistance pursuant to the schedule set forth in Paragraph 4 above.
7. At the time of receipt of the demolition assistance check, the Applicant agrees to execute a Voluntary Assessment Agreement authorizing the City to place a special assessment on the property if the Applicant does not construct the proposed new structure within the time period set forth in these guidelines.
8. The Applicant shall submit a Building Permit Application and required plans and submittals to the City prior to the construction of any structure on the property. Pursuant to the City Code, the lot must be adjacent to the Applicant's principal residence to permit the construction of an accessory structure on the property.
9. The Applicant shall complete the construction of the structure within eighteen (18) months from the date the check for the demolition assistance was issued. If the Applicant complies with these provisions, the Voluntary Assessment Agreement shall be null and void.
10. If the Applicant fails to complete the construction within eighteen (18) months from the date the check for the demolition assistance was issued, the Applicant shall be in default on the Applicant's obligations pursuant to these guidelines. The City shall notify the Applicant in writing of such default and shall forward an invoice to the Applicant for the repayment of the demolition assistance. The Applicant shall have the period of time until October 1st of that year in which to repay the demolition assistance to the City.

If the Applicant does not repay the demolition assistance by October 1st, the amount shall be certified as a special assessment against the property pursuant to the Voluntary Assessment Agreement. The repayment of the demolition assistance shall then be collected with the real estate taxes on the property.

11. The Blighted Homes Incentive Program is on a first-come, first-served basis. However, the City reserves the right to reject any and all applications and to limit the number of approved applications depending on allocated funding for the Blighted Homes Incentive Program. Demolition assistance shall be limited to one grant per parcel.

The foregoing Guidelines for the Blighted Homes Incentive Program were approved by the Springfield City Council on March 6, 2021.



Mayor

Attest:



City Clerk