



**FIGHTING BLIGHT IN THE NORTHEAST-MIDWEST REGION:  
ASSESSING THE FEDERAL RESPONSE TO VACANT AND ABANDONED PROPERTIES**

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## INTRODUCTION

Vacant and abandoned property is a problem that in recent decades has plagued many Northeast and Midwest cities still recovering from post-industrial population and job loss. In many cases, the foreclosure crisis has exacerbated the problem. Vacant and abandoned property, referred to collectively as “blight,” can be residential, commercial, or industrial and can include brownfields – land/property that is contaminated, or perceived to be contaminated, often by a former industrial use.<sup>1</sup> The impacts of blight are well-documented: increased crime (especially arson), drug activity, and risks to public health and welfare, as well as decreased public safety and surrounding property values. The cost of fighting blight—whether through rehabilitation, demolition, or land reuse—is high; in many places, the need greatly exceeds available funding. At the same time, most targeted and stable federal support for addressing blight is decreasing, time-limited, or stagnant in the face of rising supply and labor costs. This report:

- Characterizes the state of vacant and abandoned property in cities within the Northeast-Midwest region, in general; and the Great Lakes sub-region, in particular
- Provides a brief overview of local approaches to addressing blight
- Inventories federal programs that support rehabilitation, demolition, and land reuse
- Describes federal legislative efforts in the 114<sup>th</sup> Congress
- Assesses federal resources and makes policy recommendations to improve support

## BLIGHT IN THE REGION

Among the 75 largest cities in the United States, 13 of the 25 highest residential vacancy rates are found among Northeast-Midwest cities, with Detroit and Cleveland at the top of the list (See Table 1). A recently published “Distressed Communities Index,” which included housing vacancy rates as one of seven metrics, named eight Northeast-Midwest cities among the top ten most distressed U.S. cities. Great Lakes cities in particular account for the majority of that list, including Cleveland, Gary, Youngstown, Utica, Flint, and Detroit.<sup>2</sup> An array of other research on vacant property trends and “zombie properties” also points to a disproportionate problem in Northeast-Midwest cities, in general, and in the Great Lakes in particular. While all eight Great Lakes states saw increases in the number of non-seasonal vacant properties between 2000 and 2010, six of them experienced increases greater than 50% during that time period.<sup>3</sup> In places like Detroit, Cleveland, and Dayton, even though housing inventory shrunk between 1990 and 2010, vacancy rates rose, indicating that the private housing market alone cannot solve the problem.<sup>4</sup> Moreover, “zombie properties,” which can refer to properties left vacant as a result of an incomplete foreclosure, are especially a problem in the Midwest, disproportionately affecting such cities as Detroit, Chicago, Cleveland, and Indianapolis.<sup>5</sup>

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<sup>1</sup> See The Vacant Properties Research Network (2015) for a detailed discussion of the meanings of blight.

<sup>2</sup> Economic Innovation Group, 2016.

<sup>3</sup> Government Accountability Office, 2011.

<sup>4</sup> Mallach, 2014.

<sup>5</sup> Clark, 2015; Fox, 2013.

Zombie properties can also refer to long-term vacant and abandoned structures, in general. One study connected this general zombie property phenomenon in Buffalo, New York, to that city’s racial segregation and concentrated poverty,<sup>6</sup> persistent problems that characterize many of the region’s cities. In city after city, African American neighborhoods are disproportionately affected by vacancy and abandonment.<sup>7</sup> This is not a coincidence, but an outcome explained by a history of explicit and implicit racially-biased planning, development, and lending practices.<sup>8</sup>

Continued population and job loss, suburbanization, the foreclosure crisis, and a reduction in local tax bases are all factors that have contributed to the problem of vacant and abandoned property in the Northeast-Midwest region. Consider that many of the region’s largest cities saw losses in population between 1950 and 2010, some as much as 40% or 60%.<sup>9</sup> In some places, the vacancy problem has been made worse in the years following the foreclosure crisis by large, out-of-state investors who buy properties remotely, bundle them, and re-sell them to other investors, sometimes sight-unseen. In Cleveland, nearly one-third of homes sold by banks after mortgage foreclosures ended up “condemned, abandoned, boarded up or demolished” and these outcomes were more likely with large, out-of-state investors.<sup>10</sup> In other places, the state tax sale system has

had a similar effect. Indiana’s system—in which tax delinquent properties are sold for taxes to lien buyers through government auctions—has left a “trail of wreckage in Indianapolis’ neighborhoods.”<sup>11</sup>

**Table 1. Highest Vacancy Rates<sup>12</sup> among the 75 Largest Cities, 2010–14**

Rank	City	% Vacant	Vacant Units
1	Detroit, MI	29.4	106,778
2	Cleveland, OH	21.1	44,701
3	St. Louis, MO	20.2	35,411
4	Cincinnati, OH	18.9	30,580
5	New Orleans, LA	18.5	35,358
6	Atlanta, GA	17.9	40,518
7	Baltimore, MD	17.8	52,907
8	Buffalo, NY	16.3	21,794
9	Memphis, TN	15.9	47,098
10	Newark, NJ	15.6	16,965
11	Toledo, OH	14.7	20,295
12	Kansas, MO	14.1	31,743
13	Pittsburgh, PA	13.9	21,599
14	Indianapolis, IN	13.6	51,792
15	Jacksonville, FL	13.4	49,444
16	Philadelphia, PA	12.9	86,559
17	Orlando, FL	12.7	15,575
18	Chicago, IL	12.5	148,679
19	Houston, TX	12.4	113,253
20	Columbus, OH	12.1	45,844
21	Miami, FL	12.1	22,860
22	Jersey City, NJ	11.9	13,134
23	St. Petersburg, FL	11.8	15,114
24	Tampa, FL	11.6	18,606
25	Las Vegas, NV	11.5	28,688

Source: American Community Survey, 5-year estimates, 2010–2014.

<sup>6</sup> Silverman, Yin, and Patterson, 2012.

<sup>7</sup> In addition to Buffalo, examples include Cleveland (Ford, et al., 2013) and Chicago (Coates, 2014).

<sup>8</sup> Coates, 2014; Goddard, 2016.

<sup>9</sup> Cain, Shutta, and Cangelosi, 2011.

<sup>10</sup> Ford et al., 2013.

<sup>11</sup> Eason, 2015.

<sup>12</sup> Does not include seasonal, recreational, or occasional use properties.

## FIGHTING BLIGHT: LOCAL OPTIONS

Because of these long-standing problems with vacant property, many innovative solutions have originated in the Northeast-Midwest region.<sup>13</sup> Cleveland and Detroit, for example, are leading the way in on-the-ground, comprehensive surveying and assessment. Land banking, which allows governmental entities or nonprofit corporations to acquire and convert vacant, abandoned, and tax delinquent properties into productive use, has emerged as a viable tool; the Genesee County Land Bank in Michigan is often cited as a model. Factors such as the local housing market, condition of properties, and strength of the regional economy help to determine what can be done with vacant and abandoned properties once they are identified and/or acquired.<sup>14</sup> Broadly-speaking, municipalities have a few options for blighted property/land: stabilization, rehabilitation, or demolition.<sup>15</sup>

**Stabilization** includes any measure that seeks to prevent vacancy and abandonment and/or prevent further neighborhood decline. Code enforcement, vacant property registration, short-term cosmetic improvements, greening, and land banking are all stabilization strategies. For example, the City of Philadelphia experimented with giving out citations for boarding up a vacant property as opposed to using functioning doors and windows; the result was an associated reduction in violent and nuisance crime.<sup>16</sup> Philadelphia also has a successful vacant lot greening program underway.<sup>17</sup> A community-connected housing court in Cleveland dedicated exclusively to code compliance, abandoned buildings, and other blight-related issues has become a national model.<sup>18</sup>

**Rehabilitation** can range from minor code compliance repairs to a complete gutting and renovation. The latter can be cost-prohibitive and requires a market that can support such investment. The cost of rehabilitation varies depending on market type (booming, growing slowly, etc.) and location, but it can easily reach over \$100,000 for a single property.<sup>19</sup> Making minimal cosmetic improvements is another related option, but a temporary fix in the hopes of later rehabilitation or demolition. Both approaches have been associated with positive outcomes, such as a decrease in criminal activity. One community development corporation in Pittsburgh found that strategically buying and rehabilitating abandoned properties for affordable and market rate rental or sale resulted in a significant drop in crime.<sup>20</sup>

**Demolition**, which involves tearing down a deteriorated property all at once or piecemeal to save some materials, is much less expensive than renovation, but still requires significant funding. A 2013 evaluation of the federal Neighborhood Stabilization Program determined that from start to

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<sup>13</sup> Heins and Abdelazim, 2014.

<sup>14</sup> U.S. Department of Housing and Urban Development, 2014a.

<sup>15</sup> See Brown 2015 for a more detailed categorization of local options; these three are not mutually exclusive.

<sup>16</sup> Whelan, 2015.

<sup>17</sup> Badger, 2015; Vacant Property Research Network, 2013.

<sup>18</sup> Vacant Property Research Network, 2014.

<sup>19</sup> Spader et al., 2015; Ford et al., 2013.

<sup>20</sup> Berg, 2015.

finish, a single demolition took approximately two to four months and cost approximately \$11,700.<sup>21</sup> Demolition costs vary depending on the presence of lead paint or asbestos, and whether a property is stand-alone or attached.<sup>22</sup> Minimizing environmental impacts and considering historic preservation can also affect cost and approach. A demolition strategy should be informed by a city-wide, community-engaged survey and plan for determining which properties to tear down, as well as a plan for lot maintenance or post-demolition redevelopment.<sup>23</sup> One regional example is Cincinnati, where a large demolition, brownfield cleanup, and land reuse project is using green infrastructure to address a combined sewer overflow problem.<sup>24</sup> As demonstrated in Cleveland, demolition is associated with an increase in nearby property values, and a reduction in foreclosure rates across comparable neighborhoods.<sup>25</sup>

### **THE FEDERAL RESPONSE: PROGRAMS**

Many federal resources exist to help localities tackle blight. The Appendix lists over 25 resources along with such details as purpose, eligibility, and example use. They include traditional forms of financial assistance like competitive and formula grants, loan guarantees, and tax incentives, as well as non-financial technical assistance, and new, innovative forms of support as well. In Youngstown, for example, Air Force reservists provided free labor for a demolition project and in turn gained experience using city-owned equipment through an Intergovernmental Support Agreement.<sup>26</sup> The resources inventoried for this report cover a variety of focus areas, including housing/community development, economic development, brownfields, foreclosure response, green infrastructure, urban agriculture/forestry, historic preservation, and defense shared support/training. Office of Housing and Urban Development (HUD) programs may be most commonly associated with vacant and abandoned property, but in fact a number of federal agencies have programs to help entities at the state and local level address various aspects of blight, including the Departments of Agriculture (USDA), Treasury, and Defense, the Economic Development Administration, and the Environmental Protection Agency (EPA).

A majority of the more than 25 programs inventoried are relatively small; several are funded at \$10 million annually or less and a few receive funds in the range of \$50 million to \$125 million annually. Additionally, many of the grant programs are competitively distributed and not necessarily targeted toward addressing blight, but could be used toward that end. For example, the USDA's Urban and Community Forestry Challenge Grants and Community Food Projects Grants could be used to support forestry or community gardening initiatives that reuse vacant lots, but this is not their express purpose. This means that applicants must have the resources (time, energy, and sometimes

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<sup>21</sup> Spader et al., 2015.

<sup>22</sup> U.S. Department of Housing and Urban Development, 2014a.

<sup>23</sup> See 2016 U.S. Environmental Protection Agency webinar ("Look Before You Leap") for examples of extensive planning processes in Flint and Detroit, as well as Morckel 2016.

<sup>24</sup> Metropolitan Sewer District of Greater Cincinnati, 2013.

<sup>25</sup> Griswold, Calnin, Schramm, Anselin, and Boehnlein, 2014.

<sup>26</sup> Stevens, 2015.

matching funds) to compete for relatively small and project-specific pots of money. Small and competitive grants play an important role and can be very impactful. However, given the scale of blight in many of the Northeast-Midwest region's cities, targeted, formula, and non-competitive grants are even more important.

The largest and most reliable federal resource for addressing vacant and blighted properties (residential, commercial, and industrial) is the HUD-administered formula-based Community Development Block Grant Program. HUD's Home Investment Partnership Program and EPA's Brownfields State and Tribal Response Program are also important sources of formula and non-competitive funding, respectively. Additionally, the federal government created two programs that aid in blight elimination as a direct response to the foreclosure crisis: the Neighborhood Stabilization Program and the Troubled Asset Relief Program's Hardest Hit Fund. The following paragraphs describe these programs and trends in their funding.

**The Community Development Block Grant (CDBG) Program** is a major source of funding for a wide range of activities directed toward neighborhood revitalization, economic development, and community services, including rehabilitation assistance, code enforcement, clearance, demolition, and removal of buildings. The program is currently funded at \$3 billion: the same funding level as FY2015, and \$200 million more than the President's budget request for FY2017. Over time, though, funding for the program has been greatly reduced. Specifically, funding for the program has decreased approximately 72% since its inception in 1975 and 49% since 2000, adjusting for inflation. Moreover, as these funds decrease, the costs of labor and supply continue to rise, and so too does the number of eligible communities. In 1975, funds were distributed to nearly 594 entitlement communities; in 2014, the number of entitlement communities was 1,193.<sup>27</sup>

**The HOME Investment Partnerships Program (HOME)** can address blight, but is more limited in scope than CDBG. HOME provides formula grants to states and localities for activities such as building, buying, and/or rehabilitating affordable housing for rent or homeownership, or for direct rental assistance to low-income people. Site acquisition or improvement, as well as demolition of dilapidated housing to make way for HOME-assisted development are also eligible activities. The program is funded at \$950 million for FY2016, an increase of \$50 million from FY2015, and level with the FY2017 request. However, the President's FY2017 budget proposes that \$10 million of the \$950 million be set aside for the Self-help Homeownership Opportunity Program (SHOP), which supports sweat equity and volunteer-based homeownership programs for low-income persons and families. Prior to this request, SHOP was funded separately at \$10 million. Similar to CDBG, HOME has seen significant cuts in funding over time. Specifically, HOME funding has decreased by 57% since the program's inception in 1992, and by 55% since 2000, adjusting for inflation.<sup>28</sup>

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<sup>27</sup> U.S. Department of Housing and Urban Development, 2014b.

<sup>28</sup> Shapiro, Dasilva, Reich, and Kogan, 2016.

**The Brownfields State and Tribal Response Program** (also known as Section 128 grants) supports the assessment, cleanup, and redevelopment of brownfields sites and other sites with actual or perceived contamination. States and tribes can use the grant funds to establish new response programs or enhance existing ones. The grants are distributed on a noncompetitive basis, but the program receives much less funding than the HUD programs described above. As in FY2015, the program is currently funded at \$47.7 million. The President's budget request for FY2017 was slightly higher, at \$49.5 million. Since the program's initial year of funding in FY2003, funding has decreased by about 27% when adjusted for inflation. This year's grant guidance document notes that even though the program's annual budget has remained relatively the same [not adjusting for inflation], demand has increased over time; as a result, FY2016 state and tribal individual funding amounts will likely be less than the FY2015 amounts. For FY2016, EPA will consider funding requests up to a maximum of \$1 million per state or tribe.<sup>29</sup>

**The Neighborhood Stabilization Program (NSP) (2008–10)** was aimed at slowing the decline in home prices caused by foreclosures and reversing the negative spillover effects on surrounding neighborhoods. Administered by HUD, NSP allowed communities hardest hit by foreclosures and delinquencies to purchase, rehabilitate, or redevelop homes. Program funds could also be used to establish land banks and demolish properties. NSP was funded at \$6.9 billion and implemented in three phases between 2008 and 2010. Phase I and III funds were distributed to state and local governments via formula grants; phase II used competitive grants, for which nonprofits could also apply. A perhaps too-early analysis of Phase II found mixed results. Researchers found no systematic improvement in housing market outcomes as a result of the program, citing the small scale of intervention and lack of a sufficient level of concentrated activities. However, in Cleveland, demolition and land banking were associated with reductions in property crime, and rehabilitation and redevelopment were associated with a decrease in violent crime. Overall, researchers were optimistic about the program's potential to spur future revitalization because the resource was seen as complementary to grantees' long-term strategies.<sup>30</sup>

**The Hardest Hit Fund** was established by the U.S. Department of Treasury in 2010 as part of the Troubled Asset Relief Program (TARP). The \$7.6 billion fund was meant to help 19 states most affected by the economic and housing market downturn (based on unemployment rates and home price declines) create modification, mortgage payment assistance, and transition assistance programs to stabilize neighborhoods and keep people in their homes. On the list were Northeast-Midwest states Illinois, Indiana, Michigan, New Jersey, Ohio, and Rhode Island. Participating state Housing Finance Agencies were to spend their allotment by the end of 2017. A few changes have occurred since the fund's establishment. First, in 2013, the Treasury Department allowed six states (including Great Lakes states Michigan, Illinois, Ohio, and Indiana) to use some of their Hardest Hit Funds for blight elimination, including demolition, as well as site greening and maintenance.

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<sup>29</sup> U.S. Environmental Protection Agency, 2015.

<sup>30</sup> Spader et al., 2015.

Allowed amounts ranged from \$1.9 million in Illinois to \$175 million in Michigan.<sup>31</sup> In early 2016, an additional sum of \$2 billion was transferred from TARP to the Hardest Hit Fund, along with an extension of the deadline until the end of 2020. The latest allocation was distributed in two phases: the first using a formula that takes into account state population and states' deployment of Hardest Hit Fund money so far; the second through an application process. Table 2 shows allocation totals; Great Lakes states Ohio, Michigan, and Illinois have been obligated some of the highest levels of funding.

**Table 2. Hardest Hit Fund State Allocations (\$), 2010-2016**

Rank	State	Initial Allocation	Additional Allocation (Phase 1)	Additional Allocation (Phase 2)	Total Allocation
1	California	1,975,334,096	213,489,977	169,769,247	2,358,593,320
2	Florida	1,057,839,136	77,896,538	Did Not Apply	1,135,735,674
3	Ohio	570,395,099	97,590,720	94,316,248	762,302,067
4	Michigan	498,605,738	74,491,816	188,106,491	761,204,045
5	Illinois	445,603,557	118,174,500	151,299,560	715,077,617
6	North Carolina	482,781,786	78,016,445	145,709,333	706,507,564
7	New Jersey	300,548,144	69,231,301	45,354,517	415,133,962
8	Georgia	339,255,819	30,880,575	0	370,136,394
9	South Carolina	295,431,547	22,030,274	Did Not Apply	317,461,821
10	Oregon	220,042,786	36,425,456	58,110,108	314,578,350
11	Tennessee	217,315,593	51,945,211	32,794,226	302,055,030
12	Arizona	267,766,006	28,282,519	Did Not Apply	296,048,525
13	Indiana	221,694,139	28,565,323	33,454,975	283,714,437
14	Kentucky	148,901,875	30,148,245	27,955,713	207,005,833
15	Nevada	194,026,240	8,885,641	Did Not Apply	202,911,881
16	Alabama	162,521,345	Ineligible	Did Not Apply	162,521,345
17	Mississippi	101,888,323	19,340,040	23,063,338	144,291,701
18	Rhode Island	79,351,573	9,680,817	26,942,913	115,975,303
19	Washington DC	20,697,198	4,924,602	3,123,331	28,745,131

Source: U.S. Department of Treasury, 2016.

A 2015 review of the Hardest Hit Fund Blight Elimination Program led by the Special Inspector General for TARP found a lack of accountability on the part of the Treasury Department in setting state-specific goals and regularly measuring progress toward them, suggesting a lost opportunity to maximize the program's effectiveness.<sup>32</sup> But at the local level, early observations and evaluations of the fund's impact are positive. Initial analysis of demolition impact in low and moderate vacancy areas in Detroit demonstrates a marked increase in nearby property values.<sup>33</sup>

<sup>31</sup> Office of the Special Inspector General for the Troubled Asset Relief Program. 2015.

<sup>32</sup> Ibid.

<sup>33</sup> Dynamo Metrics, LLC., 2015.

## THE FEDERAL RESPONSE: LEGISLATION

The 114<sup>th</sup> Congress has seen efforts to threaten *and* support the fight against blight. Although \$2 billion was transferred from TARP to the Hardest Hit Fund in early 2016 (as described above), the fund recently was in jeopardy. As Senators searched for sources of funding for a six-year transportation bill, they considered rescinding as-yet-unspent amounts in the Hardest Hit Fund in order to put \$1.7 billion toward the bill. Their reasoning was that the housing market had improved sufficiently and that funds would be better spent on infrastructure improvements. Other Members of Congress, particularly those from Ohio and Michigan, came to the fund's defense, stressing the state of need that still exists in the places they represent.<sup>34</sup>

Members of the 114<sup>th</sup> Congress introduced several pieces of legislation to address various aspects of blight. Table 3 shows that although several relevant bills have been introduced, only a few have seen further action and none have become law, as of May 2016. Several bills would amend, extend, or make permanent tax credits/incentives toward economic development, brownfield remediation, or historic preservation:

- *New Markets Tax Credit Extension Act* (House and Senate)
- *Brownfields Redevelopment Tax Incentive Reauthorization Act* (House)/ *Creating Livable Environments and New Usable Property Act* (Senate)
- *Historic Tax Credit Improvement Act* (House and Senate)

Others would reauthorize programs or funds:

- *Brownfields Utilization, Investment, and Local Development Act* (Senate)/ *Brownfields Reauthorization Act* (House) – would reauthorize Environmental Protection Agency's Brownfields Program
- *National Historic Preservation Amendments Act* (House) – would reauthorize National Historic Preservation Fund

Two bills would establish new programs:

- *Brownfield Redevelopment and Economic Development Innovative Financing Act* (House) – would establish brownfields loan guarantee program
- *Groundwork USA Trust Act of 2015* (House) would establish neighborhood revitalization grant program

One bill targets the prevention of vacancy and abandonment by requiring quicker responses to short sale offers for homes in foreclosure:

- *Vacant Homes Act* (House)

Another would allow for a temporary capital gains tax deferral in exchange for reinvesting those dollars into distressed communities, including for the development of blighted properties:

- *Investing in Opportunity Act of 2016* (House/Senate)

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<sup>34</sup> Spangler, 2015.

**Table 3. Relevant Legislation, 114<sup>th</sup> Congress**

Bill #	Title	Purpose	Lead Sponsor	Introduced	Latest Action
<a href="#">HR 855</a>	New Markets Tax Credit Extension Act	To make permanent the new markets tax credit	Rep. Patrick Tiberi (OH-12)	2.2015	Referred to House Committee on Ways & Means
<a href="#">S 591</a>	(companion to HR 855) New Markets Tax Credit Extension Act	Same as above	Sen. Roy Blunt (MO)	2.2015	Referred to Committee on Finance
<a href="#">HR 2002</a>	Brownfields Redevelopment Tax Incentive Reauthorization Act	To extend through 2019 the election to deduct environmental remediation costs in the current taxable year	Rep. Elizabeth Esty (CT-5)	4.2015	Referred to House Committee on Ways & Means
<a href="#">S 2734</a>	(companion to HR2002) Creating Livable Environments And New Usable Property (CLEAN UP) Act	Same as above plus extends exclusion of gain/loss on sale or exchange of brownfield sites from unrelated business taxable income	Sen. Christopher Murphy (CT)	3.2016	Referred to Committee on Finance
<a href="#">HR 2817</a>	National Historic Preservation Amendments Act	To extend the Historic Preservation Fund through 2025	Rep. Michael Turner (OH-10)	6.2015	House Natural Resources Subcommittee on Federal Lands hearing 02.2016 <sup>35</sup>
<a href="#">S 1479</a>	Brownfields Utilization, Investment, and Local Development (BUILD) Act	To amend CERCLA (1980) to modify provisions relating to brownfield remediation grants	Sen. James Inhofe (OK)	6.2015	Included as amendment to Energy Policy Modernization Act, passed by Senate 4.2016; also passed by Senate EPW Committee 5.2016
<a href="#">HR 4463</a>	(companion to S 1479) Brownfields Reauthorization Act	Same as above	Rep. Elizabeth Esty (CT-5)	2.2016	Referred to relevant subcommittees of Energy & Commerce and Transportation & Infrastructure Committees
<a href="#">HR 3203</a>	Vacant Homes Act	To require prompt responses by mortgage owners of homes in foreclosure to short sale offers to purchase such homes	Rep. Brian Higgins (NY-26)	7.2015	Referred to Committee on Financial Services
<a href="#">HR 3098</a>	Brownfield Redevelopment and Economic Development Innovative Financing Act	To establish HUD loan guarantee program to promote urban renewal	Rep. Janice Hahn (CA-44)	7.2015	Referred to Committee on Financial Services

<sup>35</sup> Title V of the Senate-passed Energy Policy Modernization Act of 2016 includes permanent reauthorization for the Historic Preservation Fund.

**Table 3. Relevant Legislation, 114<sup>th</sup> Congress (cont.)**

Bill #	Title	Purpose	Lead Sponsor	Introduced	Latest Action
<a href="#">HR 3707</a>	Groundwork USA Trust Act of 2015	To establish Groundwork USA Trust Program to provide neighborhood revitalization grants through DOI, including for blight cleanup and reuse	Rep. Niki Tsongas (MA-3)	10.2015	Referred to relevant subcommittees of Energy & Commerce, Natural Resources, and Financial Services Committees
<a href="#">HR 3846</a>	Historic Tax Credit Improvement Act of 2015	To amend Internal Revenue Code of 1986 to improve the Historic Rehabilitation Tax Credit in several ways	Rep. Mike Kelly (PA-03)	10.2015	Referred to the House Committee on Ways and Means
<a href="#">S 2655</a>	(companion to HR 3846) Historic Tax Credit Improvement Act of 2015	Same as above	Sen. Cardin (MD)	3.2016	Referred to Committee on Finance
<a href="#">S 2868</a>	Investing in Opportunity Act of 2016	To amend Internal Revenue Code of 1986 to provide for the deferral of inclusion in gross income for capital gains reinvested in economically distressed zones	Sen. Tim Scott (SC) Sen. Cory Booker (NJ)	4.2016	Referred to Committee on Finance
<a href="#">HR 5082</a>	(companion to S 2868) Investing in Opportunity Act of 2016	Same as above	Rep. Patrick Tiberi (OH) Rep. Ron Kind (WI)	4.2016	Referred to House Committee on Ways and Means

### FEDERAL PROGRAM AND POLICY RECOMMENDATIONS

As it has for several decades, population growth continues to favor suburbs and the sunbelt,<sup>36</sup> a pattern that suggests a continuation of vacancy and abandonment in the region's cities despite stabilization of the housing market nationwide. These circumstances suggest that the need to demolish or rehabilitate properties and to reuse or maintain vacant land is not going away any time soon.

The good news is that an array of federal resources exists for cities that are willing and able to invest time and energy, and to think creatively, when it comes to addressing blight. The bad news is that the largest, most stable, and most-targeted federal support for addressing blight is decreasing, time-limited, or stagnant in the face of rising supply and labor costs. The Neighborhood Stabilization Program ended in 2010 and the Hardest Hit Fund Blight Elimination Program (while a considerable amount of funding) is short-term and limited in geographic scope. Presumably, those places receiving Hardest Hit Funds will see a great reduction in abandoned and blighted residential

<sup>36</sup> Kolko, 2016.

property, but the funds do not cover rehabilitation projects or commercial demolition, and recipients will be faced with funding ongoing maintenance of lots beyond 2020 when the program ends. This means that many local and state governments are—or will soon be back to—relying on long-standing federal funds like Community Development Block Grants (CDBG) or the Brownfields State and Tribal Response Program to address blight. As noted above, inflation-adjusted funding for those programs has either decreased greatly or remained stagnant, all while facing increased demand.

Federal policy makers have several options ahead of them if they wish to move beyond the *status quo* and accelerate tackling blight. Broadly-speaking, three of those options are: improving support for existing programs, modifying existing resources, or creating new/re-establishing resources. Each option is explored in more detail below.

### *1. Improve support for existing programs through authorization or appropriation*

One straightforward way to support existing programs is to increase funding through the appropriations process. In recent years, federal budget debates have resulted in a prolonged and irregular appropriations process. Appropriating more money to existing programs in this time of tight budget constraints can be a difficult option, but an option nevertheless. Some Members have tried this approach by writing joint letters of support for specific programs to appropriations subcommittees. For example, nearly 140 Representatives signed this year's letter requesting at least \$3.3 billion for the CDBG Program in FY2017. Stable and non-competitive funding like CDBG, the Home Investment Partnership Program, and the Brownfields State and Tribal Response Program are good candidates for an increase in funding, perhaps one that takes into account inflation and current supply, labor, leasing, and facility maintenance costs. Improved program evaluation and communication of ways funding is being used,<sup>37</sup> as well as a more comprehensive understanding of local need versus available resources, would strengthen the case for an increase in appropriations for these programs.

Another approach to supporting existing programs is through temporary or permanent authorization. Authorizing a program can provide an opportunity for improvement, as well as statutory security/stability. Several relevant bills introduced in the 114<sup>th</sup> Congress are authorizing legislation: The *Brownfields Utilization, Investment, and Local Development (BUILD) Act* (S 1479) and its companion in the House (*Brownfields Reauthorization Act*, HR 4463), and the *National Historic Preservation Amendments Act* (HR 2817).

### *2. Modify existing programs/funds*

#### *A. To prioritize blight response*

Another option may be to modify existing programs so that rehabilitation, demolition, or land reuse is prioritized in a new way. The Low-Income Housing Tax Credit (LIHTC) may offer an opportunity for

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<sup>37</sup> Bostic, 2014.

such a change. As described in the Appendix, the program gives state and local housing credit agencies budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.<sup>38</sup> Each state's pool of credits is limited, so housing credit agencies award them on a competitive basis using a federally-required and state-specific "qualified action plan." The plan must demonstrate preference to the lowest-income residents and address several selection criteria, such as the project's location, local housing needs, and public housing waiting lists. Further, and most relevant here, the action plan may give bonus points to "projects with specific goals" and "set aside a percentage of credits . . . for projects that serve specific populations or locations."<sup>39</sup> Perhaps federal LIHTC guidance (via the Internal Revenue Code) could encourage states to incorporate blight elimination into their qualified action plans.

### *B. To prioritize local capacity building*

Job and population loss in many Northeast-Midwest cities led to an increase in vacant and abandoned properties; that same loss has over time greatly diminished the financial capacity of local governments to respond to blight. So while it is good news that the federal government has numerous competitive programs that can be used to address blight, the municipalities that need it the most may have limited capacity to navigate and apply for grants and then manage them successfully. One approach to increasing local capacity through existing programs/funds is to give preference to proposals that seek to package federal resources from within one agency, or across multiple agencies, to carry out a project or move a project from planning into implementation. The Environmental Protection Agency (EPA) has already adopted this approach for Brownfields Assessment and Cleanup Grants. Specifically, the selection official is allowed to consider whether an applicant has received funding from the Department of Transportation and the Department of Housing and Urban Development, which participate along with EPA in the Federal Partnership for Sustainable Communities. The Partnership illustrates another way to increase local capacity, which is to improve coordination among (and within) relevant federal agencies. When appropriate, agencies might consider using joint notices of funding opportunities for related programs so as to minimize the burden on applicants. The Economic Development Agency (EDA) and the Appalachian Regional Commission, for example, recently announced a joint federal funding opportunity for economic and workforce development resources to aid coal-impacted communities.<sup>40</sup> The Investing in Manufacturing Communities Partnership is another example of interagency coordination. Under the EDA-led initiative, 24 communities were designated as "manufacturing communities" and elevated in consideration for funding and assistance from 10 departments and agencies.

### *3. Create—or re-establish—dedicated resources*

The establishment of new dedicated resources or the re-establishment of expired resources—whether tax incentives, funding mechanisms, or programs—fit into a third category. One new

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<sup>38</sup> Usually housing, community development, or related authorities.

<sup>39</sup> Office of the Comptroller of the Currency, 2014; See 26 IRC 42(m)(1)(C).

<sup>40</sup> Economic Development Administration, 2016.

resource might be found in the recently-introduced *Investing in Opportunity Act of 2016* (HR 5082; S 2868), which, as mentioned above, would allow for a temporary deferral of capital gains taxes in exchange for reinvesting those dollars into distressed communities, including for the redevelopment of blighted properties. The tax credit or incentive approach promotes private investment and is perhaps more likely to achieve bipartisan support than a federal appropriation. Further, this approach is in line with past policy proposals aimed at using tax credits to stabilize designated neighborhoods or encourage rehabilitation and home-ownership.<sup>41</sup>

The re-establishment of the federal brownfields tax incentive (Section 198) is another example that fits in this category. The incentive, which expired in 2012, allowed a taxpayer to fully deduct the costs of environmental cleanups in the same year they were incurred, rather than spreading them over a period of years. *The Brownfields Redevelopment Tax Incentive Reauthorization Act* (HR 2002) and its companion, the *Creating Livable Environments And New Usable Property (CLEAN UP) Act* (S 2734) would bring back this incentive and reauthorize it until 2019.

Any of the three options suggested in this section—broadening support for existing programs, modifying existing programs/funds, or creating new/re-establishing resources—could also support trends in local approaches to assess and eliminate blight. For example, the federal government might find ways to support the establishment or ongoing administration of local land banks or surveying initiatives, like those that have informed policy and planning in Detroit and Cleveland.

## LOOKING AHEAD

This report raises a number of questions about blight and related federal resources. Although beyond the scope of this work, more research is needed on: local need versus available support, use of federal funds, and the specific policy recommendations made here.

- *Local Need vs. Available Support*

Comprehensive and ongoing U.S. Census data collection on residential vacancy rates is incredibly important for understanding current status and trends over time.<sup>42</sup> However, data on other indicators of need related to blight (such as commercial or industrial vacancy rates, brownfields, or estimated costs for needed rehab or demolition) is much less comprehensive and often dependent on local initiatives. Further research could explore ways to improve and broaden our understanding of local needs versus available support (financial and technical).

- *Use of Federal Funds*

This report has identified numerous federal resources, large and small, for addressing blight. Further research could inform the tracking, conveying, and compilation of data related to the deployment of these resources. Improvements in these areas would help to answer

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<sup>41</sup> Mallach, 2012.

<sup>42</sup> U.S. Census measurements of vacancy, however, are not perfectly aligned with other major sources of vacancy data, such as the U.S. Postal Service.

questions of regional equity, appropriate targeting of resources, and best practices in the use of federal resources.

- *Exploring Recommendations Further*

Some of the policy recommendations made above are still relatively conceptual. More specific research would be needed to explore feasibility and impacts. For example, how might one take inflation and/or current labor and supply costs into account when considering funding for the Community Development Block Grant Program and what would such an accounting mean for other federal programs and their funding formulas? What would be the effect of encouraging the use of Low-Income Housing Tax Credits for projects that rehabilitated blighted properties? Would it have the negative effect of perpetuating low income housing in low opportunity areas or the desired effect of removing blight and providing quality affordable housing?

Policymakers at all levels would benefit from research that furthers their understanding of these topics, accelerating an informed, efficient, and widespread fight against blight in the Northeast-Midwest region's cities.

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**APPENDIX. Federal Programs that Can Address Blight, 2016**

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
<b>HOUSING/COMMUNITY DEVELOPMENT</b>							
Community Development Block Grant	HUD	Rehab Demo Land reuse	Grant - Formula	to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons; rehabilitation assistance, clearance, demolition, and removal of buildings considered eligible activities	Cecil B. Moore Homeownership Zone, Philadelphia, PA: Developed large tracts of vacant land to create nearly 300 new units of affordable housing over a 15-year development process beginning in 1997	States; cities in Metro Areas designated as central city; Other cities over 50,000 in Metro Areas; Qualified urban counties of at least 200,000 (excluding entitlement city pop.)	FY2016: \$3 billion (authorization expired)
Section 108 Loan Guarantee	HUD	Rehab Demo Land reuse	Loan Guarantee - Component of CDBG	allows state and local governments to borrow up to 5 times their annual allocation of CDBG funds, making them into federally guaranteed loans large enough to pursue physical and economic revitalization projects capable of renewing entire neighborhoods	State of IA: Established Revitalization and Economic Enhancement Loan Fund to make loans to non-entitlement units of local governments focused especially on the conversion of vacant or underutilized property for affordable housing, 2015	States; Metro cities and urban counties; Nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program	FY2016: \$300 million loan guarantee authority
HOME Investment Partnership Program	HUD	Rehab Demo Land reuse	Grant - Formula	funds wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people; can be used for site acquisition or improvement, and demolition of dilapidated housing to make way for HOME-assisted development	Milwaukee, WI: Rehabilitation of vacant residences in several neighborhoods through a Rent-to-Own program that allows low income residents to pay an affordable rent for 15 years and receive a credit toward a down payment if they choose to buy the house after that, 2014	States, cities, urban counties, and consortia (of contiguous units of general local governments with a binding agreement); funds are also set aside for grants to Insular Areas	FY2016: \$950 million (authorization expired)

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
National Housing Trust Fund	HUD	Rehab Demo	Grant-Formula	to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income and very low-income households, including homeless families; may be used for the production or preservation of affordable housing through acquisition, new construction, reconstruction, and/or rehabilitation; demolition also eligible activity	n/a (first allocation May 2016)	States	FY2016: \$174 million (permanent)
Choice Neighborhoods (Planning and Implementation)	HUD	Rehab Demo Reuse	Grant - Competitive (5% cash or in-kind cost share)	supports locally driven strategies to address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation; designed to catalyze critical improvements in neighborhood assets, including vacant property, housing, services & schools	Gary, IN Planning Grant: Transformation Plan for eastern portion of University Park, an area with high vacancy rates and disinvestment, 2015-16	Public Housing Authorities, tribal entities, local governments, nonprofits, and for-profit developers that apply jointly with a public entity	FY2016: \$125 million
HOPE VI Main Street Grant Program	HUD	Rehab Land reuse	Grant-Competitive (5% cash or in-kind cost share)	provides assistance to smaller communities in the development of affordable housing that is undertaken in connection with a Main Street revitalization effort; can be used to build new affordable housing or reconfigure obsolete or surplus commercial space (or extremely substandard, vacant housing) into affordable units	Xenia, OH: Renovation of long-vacant space to create affordable housing rental units in historic building above Shoe & Leather Repair business, 2016-17	Units of local government with population of 50,000 or less and have 100 or fewer physical public housing units within jurisdiction	FY2016: \$500,000

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
Low Income Housing Tax Credit	Treasury	Rehab	Tax Credit	gives state and local LIHTC-allocating agencies budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households	Portland, ME: Renovation of former Children's Hospital building into Elm Terrace, 38 units of housing targeted to low-income families and with a set aside of 15 units for women who are in recovery from drug and alcohol dependency, 2011 (also used HOME funds and Historic Tax Credit)	Nonprofit and for-profit sponsors of eligible housing projects	n/a
<b>ECONOMIC DEVELOPMENT</b>							
Public Works and Economic Adjustment Assistance Programs	EDA	Rehab Land reuse	Grant Cooperative Agreement-Competitive (award usu. capped at 50% of total project cost, but can vary based on need)	to support construction, non-construction, technical assistance, and revolving loan fund projects, designed to leverage existing regional assets and support the implementation of economic development strategies that advance new ideas and creative approaches to advance economic prosperity in distressed communities	Baltimore, MD: Turned historic buildings of the city's abandoned Eastern Pumping Station into new food hub, offering comprehensive services and resources vital to the area's food economy, 2013	Tribal organizations and governments, City or township governments, Nonprofits, Private and public institutions of higher education, Special district, County, and State governments, Others	FY2016: \$3 million
New Market Tax Credit	Treasury	Rehab Demo Land reuse	Tax Credit	to spur investments into businesses and real estate projects in low-income communities; permits individual and corporate investors to receive tax credit in exchange for making equity investments in specialized financial institutions	Chicago, IL: Conversion of a vacant power plant into a LEED-certified school facility and community meeting space, 2009	Certified Community Development Entities	n/a (expires 12.2019)

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
BROWNFIELDS							
Brownfield Assessment and Cleanup	EPA	Land reuse	Cooperative Agreement (Assessment: no cost share; Cleanup: 20% cash or in-kind cost share - can request waiver for hardship)	to inventory, characterize, assess, and conduct planning and community involvement related to brownfield sites and/or to provide funding for a grant recipient to carry out cleanup activities at brownfield sites	Bridgeport, CT: Cleanup of hazardous substances at former AGI Rubber site, 2015	Local government; Land clearance authority or other quasi-gov. entity; Regional council or group of general purpose units of local government; Redevelopment agency chartered/sanctioned by a State; States; Tribes; Nonprofits	FY2016: \$80 million
Brownfield Area-Wide Planning	EPA	Land reuse	Grant - Competitive (no cost share)	to produce a plan that informs the assessment, cleanup and reuse of brownfields properties and promote area-wide revitalization	Dubuque, IA: Redevelopment plan and implementation strategy for South Port area, which includes some long-abandoned industrial facilities, 2015	Same as Above	FY2015: \$4 million
Brownfield Revolving Loan Fund	EPA	Land reuse	Grant-Competitive (20% cash or in-kind cost share - can request waiver for hardship)	to enable States, political subdivisions, and Indian tribes to make low interest loans to carryout cleanup activities at brownfields properties	Detroit/Wayne County, MI: Loan to Henry Ford Community Health Project to support cleanup and redevelopment of land for hospital buildings and mixed-use development, 2015	State, local, and tribal governments; General purpose units of local government, land clearance authorities, or other quasi-gov. entities; Regional council or redevelopment agencies	FY2016: \$8.5 million

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
Environmental Workforce Development and Job Training	EPA	Land reuse	Grant - Competitive (no cost share)	to recruit, train, and place residents of solid and hazardous waste-impacted communities with the skills needed to secure employment in the environmental field and in the assessment and cleanup work taking place in their communities	Racine, WI: Training of 80 students and placement of at least 64 graduates in environmental jobs; targets underemployed and unemployed residents, 2015.	Local government; Land clearance authority or other quasi-gov. entity; Regional council or group of general purpose units of local government; Redevelopment agency chartered/sanctioned by a State; States; Most Indian Tribes; Nonprofits	FY2016: \$3.5 million
State & Tribal Response Program	EPA	Land reuse	Grant - Non-Competitive	to address the assessment, cleanup, and redevelopment of brownfields sites and other sites with actual or perceived contamination	South Berwick, ME: Clean up (asbestos, lead, and mold) and rehab of a former church turned public library, 2012	States; Tribes	FY2016: \$47.7 million
Community Health Projects Related to Contamination at Brownfield/Land Reuse Sites	HHS (ATSDR)	Land reuse	Cooperative Agreement (no cost share)	increase capacity to identify, address, and improve public health in redeveloping Brownfield/Land Reuse sites, ensuring that particular attention is paid to identifying and addressing health issues prior to redevelopment and assessing changes in community health associated with reuse plans and redevelopment	Philadelphia, PA: Building capacity to create/expand safe greening and urban agriculture projects on vacant land citywide, focusing on locations with likely contamination and health disparities, 2015	States; Local governments; Territories; Tribes; State-controlled institutions of higher education; Public Housing Authorities/Indian Housing Authorities	FY2016: \$600,000

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
<b>FORECLOSURE RESPONSE</b>							
Hardest Hit Fund (Troubled Asset Relief Program)	Treasury	Demo	Allocation	set up in 2010 to help 18 states create programs to stabilize neighborhoods and keep people in their homes; MI, OH, IN, IL, AL, SC were allocated money for blight elimination	Genesee County, MI Land Bank: Demolishing, greening, and maintaining vacant and blighted properties in public ownership, began in 2013	Participating State Housing Finance Authorities	\$9.6 billion (access to remaining funds expires 12.2020)
<b>GREEN INFRASTRUCTURE</b>							
Clean Water State Revolving Fund*	EPA	Land reuse	Grant - Formula	federal-state partnership that provides communities a permanent, independent source of low-cost financing for a wide range of water quality infrastructure projects	(land reuse fits within parameters of program; example use TBD)	States; Territories	FY2016: \$1.4 billion (authorization expired)
Green Infrastructure Assistance*	EPA	Land reuse	Tech Assistance	assistance for projects related to community resiliency, brownfield redevelopment, operations and maintenance, off-site mitigation, and green infrastructure design	Buffalo, NY: Aid Sewer Authority in developing a protocol and institutional controls for post-demolition site assessments to verify stormwater performance and to ensure that properties retain their stormwater value during redevelopment, 2014	Local governments/ authorities	TBD for FY2016
Great Lakes Restoration Initiative*	EPA	Land reuse	Grant or Cooperative Agreement-Competitive (no cost share)	accelerates efforts to protect and restore the Great Lakes, with a major focus on: cleaning up Areas of Concern, preventing and controlling invasive species, reducing nutrient runoff, and restoring habitat to protect native species	Toledo, OH: Conversion of a vacant lot on the Maumee River into a wetland complex and riparian zone expected to provide accessible shallow water wetland habitats for fish and other aquatic life, 2014	State agencies, interstate agencies, Federally recognized tribes and tribal organizations, Local governments, institutions of higher learning, and non-profit organizations	FY2016: \$300 million (authorization set to expire 9.2016)

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
Shoreline Cities Grant*	EPA	Land reuse	Grant-Invitation Only	funds green infrastructure projects that will improve Great Lakes water quality	Detroit, MI: Transformation of publicly owned vacant lots on Lower Eastside into green space consisting of meadows, trees and other vegetation to reduce discharge of untreated stormwater into city's combined sewer system, 2013	Varies	Varies, TBD for FY2016
Urban Waters Small Grant Program*	EPA	Land reuse	Cooperative Agreement (min. \$4,000 cost share)	to help local residents and their organizations, particularly those in underserved communities, restore their urban waters in ways that also benefit community and economic revitalization	Cleveland, OH: Botanical Garden-led project to convert 9 vacant lots using natural plants and other soil treatments to reduce stormwater runoff and help clean the city's waterways, 2012-14	States, local governments, Indian Tribes, public and private universities and colleges, public or private nonprofit institutions/organizations, intertribal consortia, and interstate agencies; projects have to be located in eligible geographic areas	FY2016: \$1.6 million
Section 319 Nonpoint Source Management Program*	EPA	Land reuse	Grant-Formula	supports a wide variety of activities including technical assistance, financial assistance, education, training, technology transfer, demonstration projects and monitoring to assess the success of specific nonpoint source implementation projects	(land reuse fits within parameters of program; example use TBD)	states, territories and tribes	FY2016: \$165 million (authorization expired)

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
URBAN AGRICULTURE/FORESTRY							
Urban and Community Forestry Challenge Grant*	USDA	Reuse	Grant - Competitive (100% cash or in-kind cost share)	to support national urban and community forestry projects on nonfederal public land that have a national or multi-state impact and application	Detroit, MI: Establishment of a diverse, mixed edible urban forest on vacant lots in five sites, to be planted, maintained and utilized by the surrounding community for its social, nutritional and economic benefit, 2002	Any U.S. non-Federal organization and Tribal agencies, operating within the U.S. or its territories	FY2016: \$900,000
Community Food Projects Grants Program*	USDA	Reuse	Grant - Competitive (100% cash or in-kind cost share)	to increase food security in communities by bringing the whole food system together to assess strengths, establish linkages, and create systems that improve the self-reliance of community members over their food needs	Chicago, IL: Eat to Live Farm and Garden - Reuse of vacant lots for launch of an incubator for new urban farm businesses, expansion of Community and Learning Gardens, and support for alternative food markets in the Englewood neighborhood, 2015	Public food program service providers, tribal organizations, or private nonprofit entities	FY2016: est \$8.6 million
HISTORIC PRESERVATION							
Federal Historic Preservation Tax Incentives Program	National Park Service, IRS	Rehab Reuse	Tax Credit	encourages private sector investment in the rehabilitation and re-use of historic buildings (10-20% tax credit)	Dauphin County, PA: Renovation of vacant historic Steelton High School campus into 85 high-quality, affordable workforce housing units, 2008-12	Private sector investors rehabilitating certified historic structures for business or other income-producing purposes	n/a

PROGRAM	AGENCY	APPLICATION	TYPE	PURPOSE/USE	EXAMPLE USE	ELIGIBILITY	FUNDING
DEFENSE SHARED SUPPORT/TRAINING							
Innovative Readiness Training Program*	DOD	Demo Rehab Reuse	Partnership	provides real world training opportunities for service members and units to prepare them for wartime missions while supporting needs of America's underserved communities; projects most often in the area of healthcare and engineering support	(demo, rehab, and land reuse could fit within parameters of program; example use TBD)	Government entities, Youth and charitable organizations, Other organizations, including Non-profits	Unclear; limited Operations & Maintenance and military Pay & Allowances funding available to support incremental costs associated with civil-military projects
Intergovernmental Support Agreements (sec. 331 of National Defense Authorization Act FY13)*	DOD	Demo Rehab Reuse	Support Agreement	agreement with a State or local government to provide, receive, or share installation-support services if in best interests of the military by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs	Demolitions in Youngstown, OH: Agreement allows reservists to get training on city-owned demolition equipment while providing additional labor to demolish 12 blighted properties located near a school, 2015	state or local government	Unclear

\* Addresses blight only indirectly, in that the program can be used for rehab, demo, and/or land reuse