

North Dakota Main Street Program

The State of North Dakota has allocated Community Development Block Grant (CDBG) funds to operate a North Dakota Main Street program. Projects will assist the Governor's Main Street initiative. The program will focus on long-term community development within cities downtown areas. This funding would promote livable communities, address unmet community development needs and promote activities that enhance local economic development efforts. Assistance is available to non-entitlement cities and incorporated cities.

Step One: Project Eligibility

Eligibility is based upon HUD's Slum and Blight criteria, and not subject to Low-to-Moderate Income (LMI) % requirements. To qualify under the national objective of slums/blight on an area basis, an activity must meet all the following criteria:

1. The area must be officially designated by the grant recipient and must meet a definition of a slum, blighted, deteriorated, or deteriorating area under State or local law. See page 9 for official designation form.
2. In the case where the applicable State law does not specify the percentage of deteriorated or deteriorating buildings required to qualify the area, then at least **one quarter** of all the buildings in the area must meet the grant recipient's definition of:
 - a. deteriorated or deteriorating;
 - b. abandoned;
 - c. experiencing chronic high occupancy turnover rates or chronic vacancy rates in commercial or industrial buildings;
 - d. experiencing significant declines in property values or abnormally low property values relative to other areas in the community; or
 - e. known or suspected of environmental contamination

Note: A Slum and Blight Inventory Form must be completed for each building. To qualify under the definition of "deteriorated or deteriorating" the inventory form must be completed to evaluate the condition of the building. To qualify as abandoned, proof must be provided showing ownership of the building and its vacancy. Buildings experiencing chronic high occupancy turnover rates or chronic vacancy rates, or buildings experiencing significant decline in property value or abnormally low property values relative to other areas in the community must provide enough documentation to establish proof. Buildings containing suspected or known environmental contamination will need to furnish documentation from a licensed inspector or the ND Department of Health.

The percentage of buildings designated as fair or poor or those that exhibit at least one of the interior and other building conditions must be at least 25% to be eligible.

3. Documentation must be maintained by the grant recipient on the boundaries of the area and the conditions that qualified the area at the time of its designation. The recipient must establish definitions of the conditions (listed above) and maintain records to substantiate how the area met the slums or blighted criteria.

Note: The area must be re-designated every 10 years for continued qualification and documentation must be retained.

4. Activities to be assisted with CDBG funds must be limited to those that address one or more of the conditions that contributed to the deterioration of the area. (Note that this does not limit the activities to those that address the blight or decay itself, but it allows an activity to qualify if it can be shown to address a condition that is deemed to have contributed to the decline of the area.)

Instructions for Map

The slum and blight area that is documented for the purposes of this application is considered the **targeted area** for the project. Proposed improvements can be anywhere within that targeted area, but not outside of it.

For the map itself, a boundary must be outlined illustrating the project area. This boundary must be applied exclusively to the City's downtown area.

Declaration of Slum and Blighted Area

The targeted area must be officially designated as a Slum and Blighted Area by the City's local official. The area must be re-designated every 10 years for continued qualification and documentation must be retained.

The term "**structurally substandard**" refers to inadequate and unsatisfactory conditions of a structure or streetscape, typically in violation of local code.

The term "**dilapidated**" refers to broken down, decayed, or crumbling structures or streetscapes as a result of age or neglect.

Slum and Blight Inventory Form

Exterior Improvements:

Attach the completed **Slum and Blight Inventory Form (page 1)** for each building in either a **Word document or a PDF**. This form must be completed for all buildings in the slum/blight area. The conditions are based upon definitions of property ratings for classifying buildings as excellent, good, fair or poor. Descriptions must be included of the building conditions.

Some satisfactory examples of descriptions are "crumbling brick, cracking stucco, wood rotted on window frames, cracks in window sills, weathered and discolored awning, rusty sign." Photographs must be submitted along with the application. More than one photo for each building may be submitted to show deterioration conditions.

The applicant may also include responses to the other fields in the form if they are contributing to slum and blight conditions in the area such as: tenants relocating to a new mall or office space, lack of lighting or nighttime use of the area, or unwillingness of landlords to correct code violations, etc.

Note: Funding will only be provided for structures which aid in qualifying the designated slum/ blighted area. Rehabilitation costs do not include improvements to buildings that do not meet the slum/ blighted criteria included in the Slum and Blight Inventory Form.

Interior Improvements:

Attach the completed **Slum and Blight Inventory Form (page 2)** for each building in either a **Word document or a PDF**. This form must be completed for all buildings in the slum/blight area. Please indicate the condition that qualifies the building and include supporting documentation. Descriptions must be included of the building conditions. Conditions that qualify a building for interior improvements include:

- Abandoned structures
- Experiencing chronic high occupancy turnover rates or chronic vacancy rates in commercial or industrial buildings
- Experiencing significant declines in property values or abnormally low property values relative to other areas in the community; or
- Known or suspected of environmental contamination

The percentage of buildings designated as fair or poor or those that exhibit at least one of the interior and other building conditions must be at least 25% to be eligible.

A slum and blighted area is defined as having a significant amount of structures that demonstrate major deterioration. The boundary is exhibited by a survey of the area.

"**Slum area**" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals, or welfare. ([N.D.C.C. 40-58-01.1\(23\)](#))

"**Blighted area**" means an area other than a slum area which by reason of the presence of a substantial number of slums, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. "Blighted area" does not include any land that has been assessed as agricultural property within the last ten years unless it was located within the interior boundaries of a city for at least ten years. The applicant must provide architectural renderings of the proposed design. Renovations to a historic property must maintain its historic character and must also conform to guidelines established in the "Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings". ([N.D.C.C. 40-58-01.1\(2\)](#))

Step Two: Eligible Projects

Exterior Improvements

A. Streetscapes

- Street lighting
- Signage
- Landscaping
- Parking
- Sculptures
- Pools of water and fountains
- Other approved site improvements

B. Façade Renovations

- Signage
- Painting
- Awnings
- Lighting
- Windows
- Doors
- Entryways
- Other approved façade improvements

Property renovation may include efforts to improve and enhance parking areas.

Interior Improvements

A. Rehabilitation/Preservation/Restoration

- Code enforcement improvements to non-residential buildings
- Renovation of abandoned buildings to serve another public purpose
- Energy system improvements or retrofitting
- Execution of architectural design features to enhance or preserve the aesthetic quality of facilities and improvements receiving CDBG assistance (excluding furniture and furnishings within buildings)

The intent of the North Dakota Main Street program is to renovate the exteriors of deteriorating properties, improve abandoned and historic properties, or rehabilitate properties experiencing high turnover/vacancy rate or abnormally low property values in the downtown area.

As Stated in Step One: Project Eligibility (#4), projects must address one or more of the conditions that contributed to the deterioration of the area. Applicants cannot apply for funding for improvements that did not help contribute to the slum/blighted area designation. An example includes a property owner applying for funding for Façade Improvements in a building rated in excellent/good condition.

Step Three: Eligible Recipients

Eligible recipients for the North Dakota Main Street Program are dependent on the type of project/improvement taking place. Properties must meet the requirements in Step One and Step Two before being considered for funding. Below is a chart of recipient eligibility:

Eligible Recipient (Property Owner)	Project Type	Funding Source*
City Owned	Streetscapes, Façade Improvements, Code Enforcements, Renovation of Closed/Abandoned Buildings, Energy System Improvements/Retrofitting, Architectural Design Features	Regional Allocation (LMI communities)
Private Business Owner(s)	Streetscapes, Façade Improvements, Code Enforcements, Renovation of Closed/Abandoned Buildings, Energy System Improvements/Retrofitting, Architectural Design Features	CDLF
Non-Profits	Streetscapes, Façade Improvements, Code Enforcements, Renovation of Closed/Abandoned Buildings, Energy System Improvements/Retrofitting, Architectural Design Features	Regional Allocation (LMI communities), CDLF

*The eligible funding source will determine when and how an applicant applies for the North Dakota Main Street Program. See Step Four: Review and Approval Process for application requirements and deadlines.

Interested property owners may apply for a grant up to \$100,000 per funding year, with a minimum match requirement of 10%.

Step Four: Review and Approval Process

1. Pre-applications must be made to your respective Regional Council. Application deadlines will vary depending on the source of funds being applied for.
 - a. Regional Allocation Funding – Preapplications and scoring and ranking deadlines vary. Funding is available for LMI communities only. Contact your respective Regional Council for additional information.
 - b. CDLF – Preapplications and scoring and ranking deadlines vary. Contact your respective Regional Council for additional information.

2. The following documentation must be submitted to your respective Regional Council for funding consideration:
 - CDBG Preapplication
 - Declaration of Slum and Blighted Area
 - Slum and Blight Inventory Form (including project photographs)
 - Map of designated area (see instructions below)

3. After projects have been approved, a CDBG Full Application and Environmental Review will be required prior to the financial award and release of funds. All projects are subject to the requirements of the Fair Labor Standards Act, including Davis Bacon wage rates.

SLUM AND BLIGHT INVENTORY

NORTH DAKOTA DEPARTMENT OF COMMERCE DIVISION OF
COMMUNITY SERVICES
SFN 61555 (10-2018)

Complete **one form per building** in the targeted area. Include photographs of the buildings.

Building Address	City	State	ZIP Code
Business/Occupants Name (if applicable)			
Applicant Name	Main Material of Building (i.e. brick, stucco, wood, etc.)		
Zoning or Land Use	Vacant Space(s)		
Number of Stories	Assessed Value		
Uses on Each Floor	Building Age		
Is this property contributing to slum and blight, in fair or poor condition, as documented on this form?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is this property being proposed for improvements with CDBG funds?		<input type="checkbox"/> Yes	<input type="checkbox"/> No

Description of Exterior Building Conditions

Component	Excellent, good, fair, poor (choose only one)	Existing conditions description
Roofing		
Windows		
Doors		
Exterior Walls		
Porch/Stairs/ Deck/Ramp		
Foundation		
Storefront & Signage		
Other		
Overall property rating (Excellent, good, fair or poor)		

See instructions on the following pages for guidance on building conditions.

Description of Interior and Other Building Conditions

(Documentation must be provided to show abandonment, proof of significant property value decline or chronic vacancy rates, and/or environmental hazards)

Component	Yes	No	Existing conditions description (include supporting documentation such as photos, inspections, etc.)
Abandoned			
Chronic Turnover/Vacancy Rate			
Significant Decline in Property Value			
Abnormally Low Property Value (compared to neighborhood)			
Environmental Contamination			

Overall Property Rating

A property will receive a rating based on its exterior condition as well as its interior and other conditions. Buildings that rate excellent/good on their exterior building conditions do not aid in meeting the 25% eligibility requirement for the designated area. Additionally, buildings that do not exhibit at least one of the interior and other building conditions also do not aid in meeting the 25% requirement. However, buildings that receive an excellent/good overall exterior property rating may still qualify if they can provide proof of meeting at least one of the interior and other building conditions.

The percentage of buildings designated as fair or poor or those that exhibit at least one of the interior and other building conditions must be at least 25% to be eligible.

As stated Step One: Project Eligibility (#4), projects must address one or more of the conditions that contributed to the deterioration of the area. Applicants cannot apply for funding for improvements that did not help contribute to the slum/blighted area designation.

Example: A community has a boundary of 8 buildings, 4 of which meet the 25% eligibility requirement. One building meeting the criteria has an overall exterior rating of good but is abandoned. The exterior of this building has windows that are rotted and broken. Even though the qualifying component was the abandonment of the building, the windows of the building may be replaced as it contributed to the conditions of the designated area.

Physical Building Conditions

The community must utilize the rating scale below for measuring physical conditions in the slum/blight area as excellent, good, fair or poor. A common method used to evaluate conditions is a windshield survey (the name “windshield” derived from surveying buildings and infrastructure from the inside of a vehicle). For the exterior of the building the definitions can be used to evaluate the condition of the major components (roof, foundation, exterior walls, etc.) of a structure as well as an overall building rating.

Physical deterioration of the exteriors of buildings and improvements are those buildings whose condition meets the definition of fair or poor under the rating criteria listed below.

Excellent Condition

Buildings in excellent condition require little or no exterior work. Buildings that are in excellent condition may be of any age or style. They demonstrate consistent, planned maintenance and repair, components appear to be code-compliant and energy efficient.

Good Condition

Buildings in good condition have cosmetic deficiencies or other early signs of aging and wear.

Example indicators:

- B. Building components appear to meet code, but energy efficiency improvements such as storm doors and windows and caulking may be needed.
- C. Decorative features may need to be secured, but items are in place.
- D. Materials do not need replacement but do need some minor maintenance and repair. For example, roofs may be of older composition, but not yet deteriorated or leaking; siding may need spot painting or other "touch-up"; foundations and chimneys appear structurally sound but may show beginning signs of voids or loose mortar joints.

Fair Condition

Buildings in fair condition show clear signs of deterioration indicative of a property that has not been maintained for 5 to 10 years. A determination of fair for a building component means that the extent of defective conditions or deficiencies applies to a least 25% of the component.

Example indicators:

- E. Some building components may be nearing the end of their serviceable life. Small wood and metal trim pieces of buildings may be lifting away from primary surfaces.
- F. At least 25% of roofing and related surfaces, including roofline, trim, flashing, and chimneys may be brittle, curled, cracked, and missing, with overall signs of aging, and exhibit levels of deterioration specific to this category.
- G. At least 25% of doors and windows may be old and worn, loose, ill-fitting, drafty, and otherwise energy inefficient and may have peeling paint or deteriorating vinyl or other surfaces.
- H. Exterior walls have at least 25% of surfaces with missing, broken or otherwise deteriorated siding, painted surfaces in progressed state of peeling, or brick surfaces needing repointing.
- I. At least 25% of porches, stairs, and decking show early signs of deterioration including worn, cracked, and warped components affecting components such as treads, balusters, rails, jousts, and support posts.
- J. Foundations have cracks and voids over at least 25% of surface area.
- K. Storefronts and signage are aging, with architectural features that may have been covered with sheet metal, asbestos, asphalt, or other materials from renovations of earlier decades. These covering materials, as well as any exposed original surfaces, are now showing signs of deterioration over at least 25% of their surfaces.

Poor Condition

Buildings in poor condition appear to have not been maintained for at least 10 years and have components which are beyond the end of their useful life. A determination of poor for a building component means that the extent of defective conditions or deficiencies applies to a least 50% of the component.

Example indicators:

- L. Exterior trim is missing altogether.
- M. One or more major building systems may be in danger of failure.
- N. The roof may be sagging with areas of extensive wear, exposed sheathing, and evidence of leaks over at least 50% of surfaces. Roofline trim, flashing, and chimneys exhibit levels of deterioration specific to this category.

- O. At least 50% of doors and windows may be rotted, broken, missing, and/or boarded up, with peeling paint or deteriorating vinyl or other surfaces.
- P. Exterior walls have at least 50% of surfaces with missing, broken, or otherwise deteriorated siding; painted surfaces rotted or in advanced state of peeling paint or brick or other masonry surfaces needing repair or repointing.
- Q. At least 50% of porches, stairs, and decking exhibit hazardous and unsafe conditions including sagging, rotted, and missing components, and separation from the main structure.
- R. Foundations are extensively cracked with missing stone or masonry over at least 50% of areas; indications of structural instability, and may require replacement and shoring up, including sillwork.
- S. Storefronts and signage are nearing end of useful life with original or old replacement materials which are extensively deteriorated over at least 50% of their surfaces.

What are not blighted conditions: HUD does not consider transitory conditions such as graffiti sprayed walls and litter strewn, vacant lots to be long-term blighting influences. HUD does not accept inappropriate zoning, the absence of infrastructure, or the presence of vacant or undeveloped land as evidence of blighted conditions.

Declaration of Slum and Blighted Area

WHEREAS, the City of _____ is concerned about the economic viability of slum and blighted area within its corporate limits, and

WHEREAS, the slum and blighted area projects a negative visual image of the community, and

WHEREAS, the economic, social, physical, and cultural well-being of the City is adversely affected by the conditions of this slum and blighted area, and

WHEREAS, there exists the opportunity to improve, preserve, and re-develop this slum and blighted area to the benefit of the community, and

WHEREAS, the following detrimental conditions have been identified which qualify the area under State law and Community Development Block Grant Program requirements:

- 1) Public improvements throughout the area are in a general state of deterioration or;
- 2) At least 25% of the buildings are deteriorated or deteriorating, and have at least one of the following characteristics:
 - a. Physical deterioration of a building or improvement
 - b. Abandonment of property
 - c. Chronic high turnover or vacancy rate
 - d. Significant decline in property value or abnormally low property value in relation to other areas in the community; or
 - e. Known or suspected environmental contamination.

WHEREAS, all of the parcels within the target area, _____ of them are occupied by buildings. Of the _____ buildings in the target area, _____ of them are structurally standard, _____ of them are structurally substandard, and _____ are dilapidated.

NOW THEREFORE, BE IT RESOLVED, that the following area is designated a "Slum and Blighted Area"

Resolved and agreed upon this _____ day of _____, 20_____

Witnessed

Signed (Chief Elected Official)

*The area must be re-designated every 10 years for continued qualification and documentation must be retained.