



**BLUE EARTH HOUSING & REDEVELOPEMNT AUTHORITY (HRA)  
BLIGHT REMOVAL PROGRAM GUIDELINES**

**Approved September 2014**

**A. Goal and Objective.**

1. The goal of the Blight Removal Program is to partner with private property owners to remove blighted residential structures and encourage reinvestment in the property.
2. The objective of the program is for the HRA to provide financial help to citizens of Blue Earth to demolish unsightly property.

**B. Qualifying Criteria, Building Eligibility, Occupancy Status.**

1. Any house participating in the Blight Removal Program must be located within the City Limits of Blue Earth.
2. The Applicant must own the blighted property.
3. To qualify for the program City staff will conduct a site visit of the property to determine if it qualifies as blight. A property may be considered blighted if it meets one or more of the following situations.
  - *Unsanitary or unsafe conditions.*
  - *Structures in which are unsafe or unhealthy for persons to live in due to dilapidation, deterioration, defective design or physical construction; inadequate utilities; lack of ventilation, contamination by hazardous substances; or below minimum code.*
  - *Structures which hinder the economically viable use or capacity of the property.*
  - *Structures in such a condition that is not feasible to rehabilitate.*

4. Applicants who are seeking to purchase a blighted property shall be able to apply for the program once they are the owners of the property.
5. The applicant will acquire an attorney to merge the two properties after demolition, if lot lines are shared, when possible.
6. Property where demolition and clearance takes place must be made reasonably level; cleared of foundations, footings and debris; seeded for grass; and in generally buildable condition before the recipient will receive the loan proceeds.
7. A demolition permit must be obtained and approved and the demolition requirements as stated in IBC Section 3303 must be followed as well as the ordinances of the City of Blue Earth.
8. The applicant/recipient shall have the authority to hire the contractor of choice. The applicant/recipient will be responsible for the cost of all: permits, insurance requirements, site clearance, capping of utility lines, filling of excavated foundations, disposition of debris, protection of trees, and the closing of any open well.

**C. Program Alternatives.**

1. Blight Removal Loan: The maximum loan will be \$25,000. The loan can be made for 100% of all qualifying expenses. The interest rate will be 2% and the term of the loan will be 10 years, with a minimum payment of \$100 per month. This loan will be secured by a mortgage guaranteeing repayment of said loan. Repayment will begin the first day of the month after receiving the loan proceeds. There is no early payment penalty.
2. Qualifying expenses include any necessary permits, filing fees, environmental analysis, and the contractor payments. Receipts of all expenses must be submitted to the City of Blue Earth in order to be included in the loan proceeds payment.

**D. Program Administration, Process and Procedures.**

1. The primary contact person for the program information, record keeping and administrative tasks shall be the City Administrator.
2. Applications and estimates for demolition should be submitted to the City Administrator at 125 West 6<sup>th</sup> Street, PO Box 38, Blue Earth MN 56013.

3. Meet with staff onsite to discuss the project and for staff to conduct blight analysis. Photos of property before and after demolition will take place.
4. The application will be reviewed and approved or denied by the Housing Redevelopment Authority (HRA).
5. If approved, apply for a demolition permit.
6. The approved applicant has 180 days to complete the demolition.
7. Submit invoice and lien waiver from contractor stating they have received payment. If hazardous materials were present, documentation must be submitted stating the materials were appropriately disposed of by a business possessing a hazardous waste permit. Proof of the permit must be submitted.
8. The City Administrator will be able to approve loan subordination requests upon his/her discretion.
9. Policies, priorities and decision-making concerning the program shall rest with the HRA.