



DERELICT BUILDING GRANT PROGRAM

Background

- The DNR has been allocated an additional \$1 Million towards the Derelict Building Program. In accordance with the statutory requirement on how these funds are to be used, the DNR is initially setting up a funding round to have qualified projects abate asbestos.

Eligibility

- Applicants: municipal governments with a population of less than 5,000.
- Project Eligibility: any commercial or public building that has been unoccupied for 6 months or more that a local government has ownership.
- If a building is listed on the National Register of Historic Places or maintains a State of Iowa Historical listing it is not eligible for this program.
- An applicant may partner with a local non-profit organization on a project.

What is a derelict building?

- Has been abandoned by owner, or owner is recalcitrant, or the owner is not financially viable to bring the building into compliance with state and local building codes.
- Building is dilapidated, neglected, has become a nuisance, fallen into a state of disrepair or deterioration, or falling into ruins.

Why are derelict buildings a problem?

- Impairs development.
- Blight on community.
- Harbor for vectors.
- Fire hazard.
- Attracts illegal dumping.
- Threat to public safety (falling debris, unstable interior, etc.).
- Threats to public health and the environment (asbestos, lead-based paint, hazardous materials, etc.).

Besides being a public health risk, what is the concern about asbestos?

- Asbestos was so widely used in the 20th century that any building is likely to contain asbestos containing materials (ACM).
- If a building has collapsed or is unsafe to enter so that it is not possible to inspect for and remove ACM, then the entire structure must be handled as ACM.
- The presence of ACM significantly increases the cost of disposing of the structure and may limit the opportunities for reuse and recycling of deconstructed materials.

What proactive actions can be taken to minimize or eliminate potential costs associated with a derelict building?

- It is important to identify potential derelict buildings prior to falling into a state of disrepair.
- Identify and exercise legal authorities to deal with a recalcitrant owner, or to gain access to the building, or to take ownership.
- The building is inspected for ACM and if confirmed, materials are removed.
- The building should also be assessed for other hazardous materials and, if found, removed.
- A report that contains many short-term and long-term recommendations including examples of local community approaches that prevent buildings from becoming abandoned and derelict.
- Mothballing is another option that allows a community to remediate the immediate hazards the building poses to the public and leave it in a secured state to be re-visited at a future date. For more information on this option please visit the [National Park Service's Technical Preservation Services](#) webpage.

- Water damage and deterioration of roofs can compromise a building's integrity. It is important to check roofs for potential damage and repair leaks as soon as possible.

What type of grant funding assistance is available for this round¹?

- 100% reimbursement for Certified Asbestos Inspections.
- 100% reimbursement, not to exceed \$10,000, for the abatement of ACM. A 50% cost share is required for those costs exceeding \$10,000.

When/How will funds be available?

- Applications will be due by **COB of Friday, October 9, 2026**.
- Funds will be released on a **reimbursement basis** after a correctly completed Grant Expense Sheet and supporting documentation (i.e. invoice, receipt, purchase order) has been received by the Department.
- Project costs incurred prior to an executed agreement, after the ending date of the agreement's Time of Performance or costs not identified in the agreement budget, are ineligible for reimbursement.
- Awarded amounts may not equal funding requests.

What is the timeline for completion of the projects?

- All successful applicants will have from December 1, 2026 to February 26, 2027 to complete the abatement projects.

Ineligible costs

Financial assistance shall not be provided or used for costs including, but not limited to, the following:

- Taxes
- Overhead expenses
- Indirect expenses
- Legal costs
- Contingency funds
- Proposal preparation
- Land acquisition
- Cost for which payment has or will be received under other financial assistance programs
- Costs incurred prior to an executed agreement
- Costs incurred after expiration of an executed agreement
- Costs not identified in the budget of an executed agreement or subsequent amended budget

Proposals

Contact Information

Questions regarding the Derelict Building Program in general or questions related to the preparation and delivery of proposals should be addressed to:

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Land Quality Bureau
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¹ Costs incurred prior to an executed agreement are not eligible for funding.