

FACADE IMPROVEMENT PROGRAM POLICIES AND PROCEDURES

I. Program Overview

The Commercial Facade Improvement Program (CFIP) offers financial assistance to property owners or tenants seeking to rehabilitate commercial building facades in the following target redevelopment areas: the Independence Square revitalization area, the Englewood business district, the Maywood commercial district, and the 24 Hwy Redevelopment Corridor (See attached map).

Funded and administered by the Independence Community Development Block Grant Program, the intent of this program is to provide an investment incentive that will aid in revitalization of the older commercial areas in our community by improving the physical appearance of their buildings. With this purpose in mind, the City has designed this program to meet the additional objectives of providing support for on-going planning and community efforts in key redevelopment areas, and for preservation of existing historic resources and community character through appropriate building treatment and design.

The CFIP makes available dollar-for-dollar matching grants, up to a maximum grant of \$25,000 per building, to assist with exterior rehabilitation of eligible commercial and mixed use structures. Under special circumstances, and with the approval of the City Council, additional funding may be awarded to projects that satisfy established criteria. Generally speaking, sources of match may include cost of labor and materials, owner/tenant labor, and capital improvement expenditures made within the past three years (requires adequate documentation).

Grants will be awarded for well-designed façade improvements that increase the longevity of a building. The types of improvements that can be funded, for example, may include restoration of architectural details, window and door treatments, installation of awnings, and lighting. Eligibility for funding will require compliance with regulations pertaining to the use of federal funds, established design guidelines adopted by the program, and all state and municipal code requirements.

II. Limitations

1. All grants will be awarded in the form of a 0% interest five year declining balance reimbursement loan/grant for eligible expenses. The loan/grant will be secured by a mortgage on the property for the five year term of the loan. No payments of principal are required during the loan term. The loan balance declines at 20% per year, provided the improved building is maintained in compliance with the program guidelines.
2. Generally, project applications will be reviewed on a first come first served basis until program funds are depleted; however, the City reserves the right to give priority consideration to applicants that leverage additional project funding from other outside sources. Projects located within a designated historic district that qualify for State

and/or Federal historic rehabilitation tax credits are encouraged to make application for these incentives.

3. Funding will be limited to primary and secondary exterior building facades of eligible commercial buildings that are visible from the public right of way, including alleys but only where the subject façade serves as a primary or secondary entrance for the general public.
4. With the approval of the City Council, matching grants in excess of \$25,000 may be awarded to projects that satisfy one or more of the following criteria:
 - The project will leverage additional funding towards the building rehabilitation from State and/or Federal Investment Tax Credit Programs.
 - The owner/tenant is contributing a monetary investment of at least 50% of the total market value, as defined by Jackson County, to the rehabilitation of the building.
 - The size/extent of the building's primary façade comprises at least 30%, measured by linear feet of frontage, of the contiguous streetscape.

Projects that satisfy more than one of the above criteria will be given priority consideration for available funding.

5. The City reserves the right to accept, reject or modify any application.
6. Owners/tenants that are in default of any obligation funded under a federally financed program are not eligible for the program. Additionally, if approved for a CFIP grant and then the individual or business defaults on another federally financed program, reimbursements under the CFIP will not be made.
7. The CFIP is only available to owners of commercial buildings, or tenants occupying the street front façade of an eligible building located in an eligible target redevelopment area. Tenants must provide the written consent of the owner in order to make application to the CFIP.
8. Reimbursement is limited to labor and material for eligible cost items. However, the City may require that non-eligible work be performed as a precondition for reimbursement of eligible cost items. Examples of non-eligible improvements which might be required include screening of a trash dumpster, removal of a free-standing sign, or the striping of a parking lot. The following improvements are always required, even where such improvements may not be eligible for reimbursement:
 - Non-conforming signage (both attached and free-standing) must be brought into conformance with City ordinances.
 - The property must be in compliance with the City Property Maintenance Code.

- Graffiti on all exterior surfaces must be concealed or removed using approved methods where historic buildings are concerned.
9. To be eligible, projects must provide a sealed licensed engineer's or architect's report verifying that the building's structural, mechanical, plumbing and electrical systems meet the requirements of current City Code. Documentation that sealed drawings of a licensed engineer or architect have been placed on file with the City, along with approved construction permits verifying that the structural, mechanical, plumbing and electrical systems are in the process of being brought up to code, will also be accepted.
 10. Eligible projects must also comply with all state and local laws and regulations pertaining to licensing and permits.
 11. If the building being improved will be used, in whole or in part, for housing the project must be in compliance with federal requirements to mitigate presence of lead-based paint. A Department of Housing and Urban Development (HUD) Environmental Review will be required prior to project approval. Documentation of project compliance will be required prior to final reimbursement to the grant recipient.
 12. Improvement plans are subject to the approval of the City. To be eligible for reimbursement, no work may be performed until approved by the City and until a Notice to Proceed has been given. Work that has commenced prior to City approval is not eligible.
 13. At a minimum, eligible projects will be required to satisfy the Design Guidelines for Independence Historic Commercial Districts, which have been adopted for the purposes of this program as the standard for design review in historic commercial areas of Independence. Rehabilitation or improvements that affect National Register eligible historic properties must be consistent with the *Secretary of the Interior's Standards for Rehabilitation and Illustrated Guidelines for Rehabilitating Historic Buildings* (National Park Service, 1992).
 14. Projects must complete a HUD Environmental Review which includes an evaluation of potential impact on multiple factors including, but not limited to, historic resources, flood plain status and hazardous material evaluation. Projects funded through the CFIP will be required to comply with federal requirements for mitigation of all adverse findings documented during the HUD Environmental Review. Full compliance must be achieved before project reimbursement can be made.
 15. Projects where the total project budget is in excess of \$2,000.00 are required to follow the regulations set forth within the Davis-Bacon Act (DBA).
 16. Liquor stores and adult entertainment businesses are not eligible, except in situations where an entire block of storefronts with other types of businesses are being upgraded

by participation in the Program. The City reserves the right to determine applicant participation in the Program on a case-by-case basis.

17. A building that has received a CFIP grant in the past 5 years will only be considered for a future CFIP grant funding on an exception basis.
18. Applicants are required to achieve full tenancy of the building within six months of completion of the improvements, and at the time of application evidence of tenancy commitment(s) may be required. Closure of tenant business does not necessarily constitute default of the City/Owner loan/grant.

III. Eligible Improvement/Rehabilitation Costs

The following is a list of facade features that may be eligible for Program assistance. All improvements must be visible from the public right-of-way. Additionally, all improvements must comply with the Design Guidelines for Independence Historic Commercial Districts (Appendix B) and be approved through a formal design review process. Eligible improvements may include:

- Fees associated with required structural evaluation and/or professional design and engineering services (up to 10% of the total project hard costs)
- Maintenance/structural repairs to façade system
- Masonry and fascia repairs
- Removal of non historic alterations when such removal will not jeopardize the structural integrity of the historic building
- Restoration/repair, or replacement in kind (if necessary due to deterioration) of historic design detail
- Exterior painting, cleaning, residing of buildings
- Awnings and canopies
- Signage
- Window and door repair and replacement
- Lighting and electrical needs
- Removal of accessibility barriers
- Landscaping
- Parking lot repairs or re-surfacing when visible from public right of way, up to 25% of total grant award (may require compliance with City requirements for landscaping of paved parking)
- Curbs and sidewalks repairs and installations if visible from public right of way
- Fencing installation and repairs (may exclude chain link and wood privacy fences)
- Repair and replacement of guttering

IV. Ineligible Improvements

Generally, expenses related to the following activities are not eligible for reimbursement under the CFIP:

- Improvements that violate the criteria outlined in the established Design Guidelines for Independence Historic Commercial Districts or that require the concealment or removal of historic fabric and/or design detail
- Alterations that decrease accessibility for persons with disabilities
- Roof structural repair/replacement/reconstruction
- Installation of security gates or bars on window or door openings
- Creation of non-historic window and door openings except where required to provide accessibility for persons with disabilities
- Enclosure of existing historic window and door openings
- Improvements to the building interior

Note: Project costs for work under construction or completed prior to the owner's grant contract with the City are ineligible for reimbursement.

V. Exceptions

The City reserves the discretion to accept, reject or request modification to any application. If an applicant is located outside the designated Target Redevelopment Areas, the applicant may request an exception. The request shall be made to the City in writing and shall detail reasons why an exception should be made. The City will consider the exception and respond in writing, generally within ten days.

VI. Procedures

Overview

DAVIS-BACON COMPLIANCE: Projects with total budgets in excess of \$2,000.00 are required to follow the regulations set forth within the Davis-Bacon Act (DBA). The DBA provides that contracts in excess of \$2,000.00 to which the United States is party for the construction, alteration, and/or repair, including painting and decorating, of public buildings or public works, which involve the employment of laborers and/or mechanics, shall contain provisions with respect to minimum wages, fringe benefits, payments without deductions or rebates, withholding funds from contractors to ensure compliance with wage provisions, and termination of the contract or debarment for failure to adhere to the required provisions.

SECTION 106 COMPLIANCE: Federally funded rehabilitation or improvement projects that affect historic buildings must be reviewed for compliance with Section 106 of the National Historic Preservation Act (Section 106). Historic buildings include those properties listed in, or eligible for listing in, the National Register of Historic Places. All façade rehabilitation or improvement projects on buildings 50 years of age or older, or located adjacent to such buildings, must be reviewed for compliance with Section 106 requirements. The City's Historic Preservation Manager is the compliance officer for Section 106 review and is located in the City's Community Development Department.

HUD ENVIRONMENTAL REVIEW: Projects must complete a HUD Environmental Review which includes an evaluation of potential impacts on multiple factors including, but not limited to, historic resources, flood plain status and hazardous material evaluation. Projects funded through the CFIP will be required to comply with federal requirements for mitigation of all adverse findings documented during the HUD Environmental Review. Full compliance must be achieved before project reimbursement can be made

VII Process Steps

1. *Application:* Generally, grant monies will be allocated to projects on a first come first served basis to approved applicants. In order for an application to be given preliminary approval the following requirements must be satisfied:
 - Submission of a completed application form
 - Documentation of current ownership or tenancy
 - Documentation of owner's approval and permission for tenant improvements
 - Submission of a sealed licensed engineer's or architect's report verifying that the building's structural, mechanical, plumbing and electrical systems meet the requirements of current City Code. Under certain circumstances copies of approved building inspection reports verifying recent improvements made, or copies of approved building permits currently on file with the City will be accepted as verification that the property has or is currently being brought up to City Code.
 - Documentation that the subject property is up to date on all municipal & county taxes. Preliminary approval will be granted upon satisfaction of the above listed threshold requirements, provided program funding is available. Preliminary approval means that funding has been reserved for a project, but does not necessarily guarantee a contract with the City. Project funding is only guaranteed after a signed contract with the City is in place, and reimbursement will only be made upon successful completion of contract obligations. Applicants will be contacted in the order their completed application was received to begin the grant process.
2. *Design Review:* Once an application has been given preliminary approval, a predesign planning session with Community Development Block Grant Program Staff will be scheduled. Prior to this meeting the applicant should outline his/her improvement objectives and evaluate these objectives against the provisions of the Program Guidelines and the Design Guidelines for Independence Historic Commercial Districts. The predesign planning session is intended to assist the applicant in determining the scope of the proposed façade improvements and to familiarize the applicant with program requirements and processes. Staff will provide the applicant with guidance for applying applicable design guidelines and will advise the applicant of necessary action steps to be taken prior to the final design approval.

[Technical Assistance: The program offers limited assistance with conceptual design, but requires applicants to work with private architects and design professionals to prepare the required drawings and execute projects. Early meetings with Program Staff can be arranged in order to help avoid misunderstandings as to the eligibility of proposals and to settle design issues. Some questions to consider when developing design details include:

- *What really needs to be done to the building?*
- *Does the building have significant historic or architectural merit?*
- *How does the character of the building fit in with neighboring buildings?*
- *How can this relationship be enhanced by facade improvements?*
- *Are there several different ways to solve the building's problems? Which is best?*

The applicant's improvement plans must conform to the standards set forth in the Design Guidelines for Independence Historic Commercial Districts, which have been adopted for the purposes of this program as a standard for design review in historic commercial areas of Independence. In addition to conformance with the Design Guidelines, rehabilitation or improvement projects that affect historic properties must be consistent with the Secretary of the Interior's Standards for Rehabilitation and Illustrated Guidelines for Rehabilitating Historic Buildings. Rehabilitation or improvement projects that are not consistent with the Secretary's Standards will not be permitted, and the project will not be allowed to participate in the Program. The City's Program Staff will consult with the City's Section 106 compliance officer, as appropriate, to determine if historic properties are affected by the project and to determine if the design plans are consistent with the Secretary's Standards. The CFIP will defer to State and Federal design standards for projects earning historic rehabilitation tax credits.]

3. *Design Approval:* Upon the applicant's request, a formal review by the City's Design Committee will be scheduled. Prior to this review the applicant should have assembled his/her improvement plans, architectural drawings and specifications in as much detail as possible. At the discretion of City Staff, applicants may be required to provide current photographs of the subject building facades, evidence of structural investigation required to establish existing historic character and materials, scaled architectural drawings or computer generated renderings of proposed enhancements, construction specifications detailing all work to be conducted, and itemized cost estimates. At the conference Program Staff and the applicant and his/her representatives will review these plans according to the established design guidelines.

The applicant should not expect to receive final approval during the formal design review as revisions and subsequent reviews may be required at the discretion of the Design Committee. It is strongly suggested that the applicant and his/her representatives coordinate all design plans with City staff throughout the initial planning process.

4. *Request for Bids:* Following final design approval by the City's Design Committee, the applicant will be responsible for securing bids for all work to be completed under the CFIP project. Prospective bidders should be provided a copy of the approved design details/construction drawings, detailed construction specifications, and façade grant contract conditions (ie. current prevailing wage rate determination, insurance coverage requirements, licensing requirements, etc.). A minimum of two bids is advised for all work to be completed as part of the CFIP project. Bids should be broken down in line item detail in accordance with the approved construction specifications.

Note: The selected contractor(s) are required to maintain a business license with the City of Independence, as well as, insurance coverage in the type and amounts deemed necessary by the City. Additionally, selected contractors must comply with Federal requirements and restrictions related to fair labor standards, equal opportunity employment, conflict of interest and certain environmental protection issues.

In order to ensure reasonable project costs, the City will prepare its own independent cost estimate of the façade improvements to be funded, utilizing Housing Developer Pro rehabilitation cost estimating software. The selected bid cannot exceed estimated project costs by more than 15%. If the selected bid exceeds the amount of the grant award, the loan/grant recipient will be responsible to provide additional project funding. At the discretion of the City, the project's scope of work may be reduced or revised in light of budget constraints. In the event additional funding will be required on the part of the recipient, the City may require verification of secured funding prior to execution of a grant contract with the City.

5. *Submission of bidding documentation and Owner/Contractor Contract(s):* Before contracting for the façade improvement project the City will require the applicant to submit copies of bidding documentation, and a copy of the Owner/Contractor contract(s)/signed bid and documentation of required insurance and contractor licensing to Program Staff. **All construction contracts must include attachment of HUD Form #4010: "Federal Labor Standards Provisions", which can be obtained from Community Development Program Staff, as well as the applicable prevailing wage rates for the project.**

Note: the Owner/Contractor contract must be limited to work performed only on the exterior of the building. If interior construction will take place concurrently with façade improvements this work must be covered under separate contract with the owner. Interior construction conducted concurrently with exterior improvements will be subject to Davis-Bacon wage rate requirements.

6. *Owner (or Tenant)/City contract:* Upon submission of the required bidding documentation and Owner/Contractor contract(s) documentation, Program Staff will prepare and process for signature the Owner/City contract. Once contracts are fully executed Program Staff will forward one signed original to the applicant along with a Notice to Proceed with construction activity.

7. *Owner/Contractor Contract:* The construction contract agreement for improvements funded through the CFIP will be between the loan/grant recipient and the contractor. The City is not responsible for enforcing the terms of the construction contract agreement. The Notice to Proceed with construction activity will be issued by the City to the loan/grant recipient, who in turn is responsible to notify the contractor. The Notice to Proceed does not guarantee the issuance of required construction permits, which must be secured by the contractor prior to the start of construction activity.

Note: All improvements required to be completed under the grant contract agreement will be subject to requirements for federally funded projects (ex. Davis-Bacon wage rates for labor). This includes improvements that will be paid for using private funds.

8. *Modification:* Any modification to an approved design plan requires the loan/grant recipient to contact the City in writing to request approval of the modification. Non-material, non-substantive modifications will be approved by Program Staff; however, more significant changes may require approval by the Program's Design Review Committee. Loan/grant recipients shall not authorize execution of plan modifications until they have received written approval from Program Staff. Doing so may jeopardize the guarantee of project funding.
9. *Reimbursement:* The loan/grant recipient will have 180 days in which to complete the required improvements. Following completion of the improvements, the loan/grant recipient must submit all required documentation to the City for processing of reimbursement payments. Documentation is required for all eligible work for which reimbursement is being requested, and shall include the following:
- Invoice/Request for reimbursement from the loan/grant recipient
 - Copies of all invoices for work performed and receipts for materials supplied
 - Approved Certified Payroll Forms for all contracted labor as required by Davis-Bacon Wage law
 - Mechanic's Lien Waiver from all contractors and suppliers.
 - Copies of any required approved building inspections related to the project (only if requested by the City).

Partial reimbursements may be requested as line items are completed and costs are incurred provided that all required supporting documentation is submitted with each request for reimbursement. Upon receipt of a request for payment the City will inspect the improvements. If the completed work does not conform to the approved plans and specifications, the City may instruct the loan/grant recipient to bring the work into compliance. The City will not process the reimbursement payment and issue a check until all improvements have been satisfactorily completed and all required documentation has been submitted. In no case shall payment exceed the amount stipulated in the grant/loan contract. All payments of grant funding are made

directly to the loan/grant recipient. The loan/grant recipient is responsible for paying the contractor(s) in accordance with the terms of the Owner/Contractor contract agreement. The City is not responsible for enforcing or accommodating the payment terms of the construction contract.

VIII Default

Default on a contract issued through the CFIP may result in City action to have such contract deemed null and void and to obtain reimbursement of any grant funds paid out under the contract. The loan/grant recipient may be considered in default under the following conditions.

- The project is not completed and occupied within the required time frames and no extensions have been approved.
- The project is not in compliance with all Federal requirements pertaining to Section 106 Review, HUD Environmental Review, and Davis-Bacon legislation.
- The building is not in compliance with City of Independence Building Codes
- The owner/tenant makes modifications to the façade which are not in compliance with the requirements outlined in these Policies and Procedures
- The building where façade improvements were made using CFIP funds is vacant for extended periods of time or is used for prohibited uses under the City of Independence Zoning Code. Closure of tenant business does not necessarily constitute default of the CFIP Loan/Grant. If this issue arises the building owner should immediately contact City staff.
- Final inspection approval of all pending construction permits pertaining to the subject property's compliance with structural, mechanical and electrical building code is not obtained.
- The building is demolished or funded improvements are not reasonably maintained during the five year promissory note term established by the loan/grant contract.