

YPSILANTI DDA BUILDING REHABILITATION PROGRAM

Application Checklist

Please provide information for the following items. Refer to Application Packet for description of requested materials.

1. Applicant Information _____
2. Project Information _____
3. Project Description _____
4. Mortgage Information _____
5. Building Information _____
6. Signed Application Form _____
7. Signed Mortgage Note _____
8. Other Required Documentation
 - A. Property deed with legal description _____
 - B. Proof that all property taxes are paid and current _____
 - C. Proof of property and liability insurance _____
 - D. Copies of any leases associated with property _____
 - E. Two contractor quotes for total façade project _____
 - F. Photographs of proposed project site _____
9. Attachment Two _____
10. Attachment Three _____
11. Attachment Four _____
12. Attachment Five _____
13. Building Rehabilitation Agreement _____

YPSILANTI DDA BUILDING REHABILITATION PROGRAM

PURPOSE

As a fundamental goal of the Ypsilanti Downtown Development Authority (YDDA), the YDDA has determined that it is in the best interest of the public to halt property value deterioration, to eliminate that deterioration, and to promote economic growth and vitality within the Downtown Districts. In response to this stated objective, the YDDA has created the Building Rehabilitation program to rehabilitate and reuse older buildings in the Downtown Districts. The program is focused on providing financial assistance for upgrading older buildings to meet modern building code and accessibility requirements as well as to create consistency in design, materials and architectural character thereby enhancing the physical appearance of the Downtown. The buildings, once rehabilitated, must make a positive contribution to the overall character and architectural integrity of Downtown Ypsilanti. A successful rehab program will also leverage additional private capital results in continued growth and development within the borders of the DDA.

ELIGIBILITY

A property must be located within the one of the YDDA districts to be eligible. The program is open to both property owners and tenants; however, the owner must sign the Building Rehabilitation Agreement if the applicant is a tenant. Applicants will be required to complete an application packet provided by the YDDA. The following eligibility criteria also apply:

For Building Rehabilitation Grants:

1. Projects may include exterior façade improvements as part of the total project scope.
2. Projects must maintain or create first floor retail, commercial or professional uses to be eligible for program funding.
3. Program funds can be utilized for interior renovation and construction costs, with an emphasis on barrier free design requirements and/or state and local fire and safety codes.
4. Upon completion of any project the building must meet a basic condition test, which indicates that the property appears to be structurally sound, the roof intact and meets basic public safety codes.
5. The YDDA Economic Restructuring & Design Committee must approve the proposed improvements.
6. Awnings and signs may be eligible expenses under program guidelines, as long as they are part of a comprehensive building rehabilitation project.
7. Only facades abutting public right-of-way are eligible for assistance. Highly visible rear facades will be considered.
8. Building owners and tenants are eligible for the grant program. If a tenant applies for assistance, they must provide written proof that the building owner authorized proposed improvements and evidence

of an executed lease for a term equal to the Improvement Agreement.

9. All improvements that require Historic District Commission (HDC) approval shall gain be made in accordance with HDC guidelines and approvals before any reimbursement can be issued.

Additional Grant Requirements:

1. Applicant must provide proof that all property taxes are current and that the subject property is properly insured.
2. Applicant must provide detailed project financing and cost information and provide proof of available project funding in the form of bank/loan commitment letter(s) or personal equity.
3. Annual program funding will be limited, with projects awarded as funds are available. The YDDA will make final determinations on individual project eligibility and can reject any application based upon required insufficient program funds.
4. It is preferred that at least two licensed contractor quotes must be submitted, however, the applicant will not necessarily be required to accept the low bidder. If the applicant cannot provide two quotes, a waiver may be asked for (attachment six).
5. A minimum of 5% owner cash equity (of total project costs) will be required for all projects utilizing bank or other public financing.
6. All required municipal or government permits must be obtained prior to construction starting up.
7. Funds will be provided on a draw basis upon completion of work. Executed contracts and/or contractor invoices and proof that all required licenses, permits, and inspections have been received must be presented prior to disbursement of program funds.
8. Construction must commence within 90 days of approval for funding, verified by an award letter from the YDDA, and be completed within 120 days after construction start date as verified by the YDDA. Requests for time extensions must be submitted in writing and will only be approved upon the express written consent of the YDDA.
9. Applicant must agree to abide by the items outlined in Attachment Two: Cooperation Agreement.

INELIGIBLE USES OF PROGRAM FUNDS

Program funds cannot be utilized for any of the following uses:

1. Refinancing or paying off existing debt
2. Property acquisition
3. Site plan, building or sign permit fees
4. Property appraisal costs, legal fees, or loan origination fees
5. Labor costs paid to the owner/applicant or relatives of owner/applicant
6. Building Demolition
7. Environmental consulting, testing, or actual abatement/clean-up costs
8. Purchase or upgrade of equipment.

PROGRAM REQUIREMENTS

Applicants will be required to complete an application packet provided by the YDDA. Applications may be obtained at the offices of the YDDA or by calling 734.482.9762. In addition to all required forms, architectural renderings and/or project descriptions must be presented in sufficient detail to demonstrate the exact scope of work. The following items will also be required as a part of the review/approval process:

1. A valid mortgage on the subject property and/or personal guarantee will be required as collateral.
2. Building Rehabilitation Program funding cannot exceed 50% of total project costs, or \$30,000, whichever is less.
3. Construction must commence within 90 days of approval for funding, verified by an award letter from the YDDA, and the Project must be completed within 120 days after the construction start date as verified by the YDDA. Requests for time extensions must be submitted in writing and will only be approved upon the expressed written consent of the YDDA.
4. After completion of the Project, and for a period of five (5) years thereafter, the Developer, its successors and assignees, agree not to modify or alter the façade of the building without the express written permission of the DDA.
5. Any façade alterations first must be reviewed by the Historic District Commission in order to ensure compliance with HDC guidelines (as applicable).

FINANCING GUIDELINES

Applicants must demonstrate proof of available project funding, whether owner equity or private financing.

Program financing will be in the form of a reimbursement to the property owner/applicant. The reimbursement will be disbursed on a draw basis, under the terms and conditions specified in the Development Agreement.

APPLICATION & SELECTION PROCESS

YDDA staff will work closely with property owners and tenants to market the program and determine initial eligibility under program guidelines. Once the initial scope of work has been determined, staff will present the project to the YDDA Grants Committee. This committee will meet as needed to provide input, make suggestions to scope of work and approve or deny individual projects. Upon preliminary approval by committee, the project will be submitted to the YDDA Board of Directors for final approval. Upon approval of the YDDA Board of Directors at a regularly scheduled monthly meeting, an Agreement will be executed and the project can proceed.

Selection Criteria

1. Buildings with first floor retail uses or projects, which will result in new commercial occupancy, will receive funding priority.
2. Projects, which will result in the creation or rehabilitation of upper story residential units or loft apartments, will also be considered.
3. Additional criteria that address the economic impacts of the proposed improvement and the overall program goals are included in Attachment Three and Four of this packet.
4. Attachment Five of this packet addresses General Design Guidelines that will govern the evaluation taken by Project Review Committee of proposed improvements.

SOURCE OF PROGRAM FUNDING

The YDDA and Washtenaw County Economic Development & Energy provide all funding for this program.

RIGHTS RESERVED

The YDDA reserves the right to reject any and all applications up to the limit of closing. The specific program guidelines herein are subject to revision or amendment by the YDDA Board of Directors. The YDDA may discontinue this program at any time, subject to the availability of program funding.

DEFAULT AND REMEDY

To access program funds, applicants must demonstrate a bona fide commitment to implement building improvements and must certify that construction will commence within 90 days of funding approval, verified by an YDDA award letter, and that the Project will be completed within 120 days of the start of construction as verified by the YDDA. The applicant will be in default if rehabilitation is not undertaken within the specific time period.

In the event of default all program funds applied to the project shall become due and payable, plus

collection costs and reasonable attorney fees, if applicable. One or more of the following events shall constitute default:

1. The Owner/Applicant fails to pay, when due, any real estate taxes or special assessments on the subject property.
2. The Owner/Applicant expends program funds for uses other than approved project costs as represented in the original application.
3. Borrower defaults on private bank loan or other public financing made in conjunction with the DDA Building Rehabilitation Program.
4. After completion of the Project, and for a period of five (5) years thereafter, the Developer, its successors and assigns, agree not to modify or alter the façade of the building without the express written permission of the YDDA.

**YPSILANTI DDA
BUILDING REHABILITATION PROGRAM**

Application Form

Ypsilanti DDA
1 S. Huron
Ypsilanti, MI 48197
734.4829762

1. Applicant Information

Score: ___/5

NAME: _____

BUSINESS ADDRESS: _____

HOME ADDRESS: _____

BUSINESS PHONE: _____ HOME PHONE: _____

FAX: _____ EMAIL: _____

2. Project Information

Score: ___/5

BUILDING LOCATION: _____

BUSINESS (ES) LOCATED IN BUILDING: _____

BUILDING AGE: _____

BUILDING ZONED AS: _____ BUILDING SEV: _____

OWNER OF RECORD: _____

IF LEASED: Lease Expires _____ Renewal Term _____

3. **Project Description**

Score: ___/5

Describe in detail the proposed scope of work including design firm selected if applicable. In describing project, be sure to differentiate between interior renovations vs. exterior façade improvements to be undertaken. Use separate sheet(s) if necessary.

Anticipated Construction

Start Date: _____ Completion Date: _____ Total Project Cost _____

4. **Mortgage Information**

Score: ___/5

Is there a current Mortgage on the property: YES _____ NO _____

If YES, Holder of Mortgage

Date of Mortgage: _____

Original Amount: _____ Current Balance: _____

Are there any other loans, liens, deed restrictions on the property?

YES _____ NO _____

If YES, please list: _____

5. **Building Information**

Score: ___/5

Will project result in a change of use for the building? YES _____ NO _____

Uses of the building after completion of the Rehabilitation project:

1st Floor:

2nd Floor:

3rd Floor:

Other:

6. **Other Required Documentation**

Score: ___/5

- a. Property deed with legal description of property
- b. Proof that all property taxes are paid and current
- c. Proof of property and liability insurance
- d. Signed mortgage note
- e. Copies of any leases associated with property
- f. Project budget
- g. Two (2)-contractor quotes/construction bids for total project
- h. Photographs of proposed project site

I / We certify that all information set forth in this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the YDDA Building Rehabilitation Program. I understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed to be repaid in full to the YDDA.

The applicant further certifies that he/she has read and understands the YDDA Building Improvement Program Guidelines. If a determination is made by YDDA staff that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to the YDDA and acknowledges that, with respect to such proceeds so returned, he/she shall have no further interest, right, or claim. It is understood that all YDDA funding commitments are contingent upon the availability of program funds.

The applicant understands that Construction must commence within 90 days of approval for funding, verified by a YDDA award letter, and be completed within 120 days after construction start date, as verified by the YDDA. Requests for time extensions must be submitted in writing and will only be approved upon the express written consent of the YDDA.

Signed this _____ day of _____, 20 ____

By: _____

ATTACHMENT TWO

General Design Guidelines

1. Changes to the façade of the buildings will not remove, alter, damage or cover up significant architectural features of the building which are original or which reflect a major alteration that is itself architecturally coherent, or which help create a unified and attractive appearance to the building.
2. Changes to the façade of buildings will either; 1) partially or fully restore to the appearance of the building based on actual evidence, including photographs, written documentation, data on the building or site or other data, or 2) represent a modern treatment which blends into and is compatible with the building and adjoining buildings.
3. In general, the Grants Committee will encourage repair and preservation of existing features of facades, unless alterations to these facades have resulted in an incoherent, unattractive or inharmonious appearance. While encouraging correction of such alterations, the committee will advocate minimal alterations of harmonious features.
4. For facades which have previously been substantially altered and for which a modern treatment is chosen, such a treatment will conform with the features, materials, rhythms, color and general appearance of the building and those adjoining, particularly if the building is one in a row of buildings with identical or similar design features.
5. Paint colors will either be based on original colors obtained from paint samples on the buildings, or be compatible with adjoining buildings. Trim colors, which highlight building details, will be encouraged. Spectacular colors will be avoided.
6. The size, color and shape of a sign should complement the building and add to the historic flavor of the area.
7. The surface cleaning of the structures will be undertaken with the gentlest of means possible. Cleaning methods that damage the historic building materials, particularly sandblasting, shall not be undertaken.
8. Any alterations to a building's façade first must obtain consent by the Historic District Commission to ensure that all alterations follow HDC guidelines (as applicable).

I/We certify that I/We have read and understand the above design guidelines.

Applicant

Date

ATTACHMENT THREE

Cooperation Agreement for Building Rehabilitation Program

Score: ___/5

If the project for which this application is submitted is approved for funding by the Board of Directors of the YDDA, the applicant shall cooperate with the YDDA in furtherance of its fundamental goal of halting property value deterioration, eliminating that deterioration, and promoting economic growth and vitality within the Downtown Development Area by:

- Participating in YDDA sponsored tours of Downtown
- Working with the YDDA on business development programs.
- Committing where possible to uniform store hours
- Participating in downtown promotion
- Design review for any changes to the facade

Applicant

Date

ATTACHMENT FOUR

Economic Impact

Score: ___/50

Please use this sheet to answer the following attach additional sheets as necessary:

1. Project Start Date: _____ Completion Date: _____

2. Does the proposed project demonstrate positive economic impacts in any of the following areas?
 - A. Projected property and personal tax increases:

 - B. Job creation: construction and permanent:

 - C. Temporary (construction) Jobs Created:

 - D. Permanent Jobs Created:

 - E. Does the project activate a vacant store front:

 - F. Is the project helping an existing business expand:

 - G. Will the award of this grant help a new business start in the DDA:

Applicant

Date

ATTACHMENT FIVE

Grant Criteria: Building Rehabilitation Program

Score: ___/10

Applications for funding under the YDDA’s Building Rehabilitation Programs will be evaluated using the following criteria. These criteria ensure that each project that is approved contributes to the continuing revitalization to the YDDA Development Area, as well, as contributing to the wise use of monies allocated for such goals.

- 1. Specifications, Bids (2) and Cost Analysis: Is the DDA receiving value for the monies requested?
- 2. Overall Project Impacts: How will the DDA district benefit?
- 3. Needs Assessment: Are there special factors that should be considered in evaluation of this project?
- 4. Timetable of Project: Does the project demonstrate a willingness to complete the proposed improvements in a timely manner?

Applicant

Date

List of Exhibits

Exhibit A – The Project Site

Exhibit B – Design, Description and Cost of Project

Total Score: ___/100