



## Capital Improvement Program Policies and Procedures

City of Center Point, Alabama

April 2022

### ■ Purpose of the Program

The City of Center Point Economic Development Committee is providing an incentive program to improve the façades of buildings within priority redevelopment areas. The program serves to advance the economic sustainability of these areas, by improving the appearance of building façades. Better aesthetics increase property values, improve the marketability, appeal to businesses, and encourage local citizens, and visitors to shop and play in the area.

### ■ Priority Redevelopment Areas

The current façade improvement priority area is Center Point Parkway, and properties located within proximity of the Center Point Parkway. Also, we have the option to address individual blighted buildings outside the priority areas if funding is available.

### ■ Funding and Match Requirements

Eligible property owners have the opportunity to receive a maximum of \$20,000 per building. Applicants must provide a match equal to or greater than 10% of the amount awarded through this program. The match must be spent on the façade improvement project.

Program funding is provided in the form of a loan that is forgiven over a five-year period with no payments required, provided the property continues to be maintained in accordance with the program requirements, such as retention of ownership, occupancy by Applicant, maintenance of the façade, insurance, and payment of all property taxes due.

Applicant must provide most recent 90-day period bank statements indicating an active business account and the following requirements:

- A carrying balance of \$1,500
- No NSF
- All pages of the statement

### ■ Application Process

Applications for the Façade Improvement Program will be available as funding allows. To obtain an application or additional information about the program, call the Center Point City Hall at



(205) 4460 or visit [www.cityofcenterpoint.org](http://www.cityofcenterpoint.org). Applicants will be required to complete the program application, provide a project timeline, architectural drawings, design, and specifications of the proposed façade improvement work to Economic Development Committee or designee for approval and final approval to go before the City Council. Proposals must pass a threshold review for eligibility and will then be reviewed for quality and impact of the proposed improvements.

**Below are the steps in the process:**

1. Obtain application, either from the city web site or the Center Point City Hall.
2. Forward completed application to the Economic Development Committee designee.
3. Economic Development Committee or designee will conduct a site visit to determine if the proposed project meets eligibility.
4. Economic Development Committee will meet to evaluate and score applications. Applications will be primarily scored according to the economic development criteria in the application.
5. Applications will then be processed. This will include credit history, mortgage verification, etc.
6. Award recommendations will be forwarded from Economic Development Committee to Council for approval, Applicant will then be notified of status of application,
7. The design will be evaluated and, if the proposed project meets the established eligibility, will be reviewed by the Economic Development Committee during the Design Review Meeting(s). Applicants are required to attend the Design Review Meeting(s).
8. Project completion and payment timeline will be established at the design review meeting. Grantee, contractor, and committee will agree on project start date.

■ **Eligibility**

All property owners willing to improve the exterior of properties located within the designated program areas may be eligible to receive assistance. A recipient may utilize the Façade Improvement Program in conjunction with other public and private financial resources. Owners may receive assistance for more than one building based on funding availability.

Eligible buildings are commercial and mixed commercial/residential with façades visible from the street. New construction will not be considered for this program. For the purposes of this



program, blighted means designated for acquisition or otherwise identified as blighted under a redevelopment plan or as part of the redevelopment planning process.

Applicants should be aware that buildings containing or that will contain residential units may require lead hazard abatement. The cost of lead hazard abatement is not an eligible expense under the facade program and will be the total responsibility of the owner.

Applicants will be required to demonstrate financial capacity to meet the program matching requirements, and must be current on all property taxes, mortgages, and insurance. Existing mortgage(s) on the property must be current and in good standing for a minimum of 12 consecutive months immediately prior to the submission of an application. Property taxes on all real property owned by the applicant must be up to date. The delinquent date for a tax year is January 1st of the following year.

■ **Credit History**

- While there is no minimum credit score, applicants are expected to have a credit history that shows a willingness to pay obligations. If an applicant’s credit history demonstrates a disregard for meeting financial obligations, they will be referred to credit counseling. Upon verification of credit counseling completion, a written re-payment plan with creditors and 6 consecutive months of an established payment history, the application may be re-considered. An applicant who has had payment delinquencies in the past must have re-established credit with payments made as agreed for at least 6 consecutive months. Medical collections are not considered in the credit evaluation.
- Judgments and collections (other than medical of any amount and service provider collections that are less than \$500.00) that are reported on the applicant’s credit report must be either paid in full or have written documentation of an ongoing re-payment plan. At least one payment must have been made.
- Judgments that have been recorded in the Office of Probate are a lien against the property and not allowed for the program. These liens must be paid in full before the application may be considered.
- Any bankruptcy by the applicant must have been discharged a minimum of 12 months prior to application and the applicant must have re-established credit.
- Alternative credit references may be required if the applicant has little or no credit on the credit report.

■ **Ineligible Activities**



An applicant may be ruled ineligible for the Façade Improvement Program if:

- The proposed project is not an eligible activity or does not meet a national objective of the Community Development Block Grant Program, HOME Program, or other federal funding in place for commercial façade improvement.
- Even if the needed repairs were made, the building would still be substandard due to the owner's inability to complete repairs that render the building safe, secure, and stable.
- The applicant furnishes a false or fraudulent statement.
- The applicant or any member of the household has a history of illegal activity that impairs the physical or social environment of the neighborhood.
- The building owner, principal officer of an ownership corporation or members of their households have an ownership interest, direct or indirect, in tax delinquent real property.

■ **Eligible Activities**

Façade renovation activities must involve the general upgrading of a building's external appearance in compliance with the Design Guidelines and Design Review process. Examples of eligible activities are:

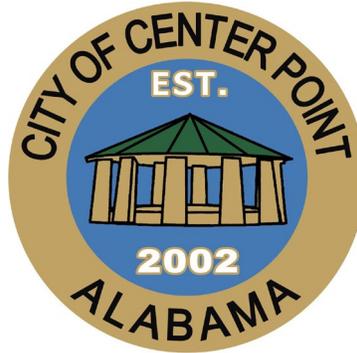
- Masonry repairs and tuckpointing
- Repair/replace/preserve historically significant architectural details
- Storefront reconstruction
- Cornice repair
- Exterior painting and stucco
- Awnings and canopies
- Window and door repair or replacement
- Permanent exterior signage integrated into the storefront design
- Permanent exterior lighting
- Repair/replacement of gutters and down spouts



- Façade building code items
- Visible roof repairs relating to the building's façade and known by Community Development staff before an application is submitted to the appropriate design review committee.
- Utility/trash enclosures
- Decking and stairs
- Architectural design fees related to detailed scope of work (not to exceed \$2,500)
- Side and rear building façades where improvements will serve to cause the removal of a blight designation

■ Examples of activities that are not generally eligible:

- Non-visible roofing repair, roofing repair unknown by Community Development staff when an application is submitted to the appropriate design review committee, or roofing repair unrelated to the building's façade (e.g., structural improvements)
- Attached, hanging or projecting signs unrelated to the architecture of the building
- Mechanical equipment enclosures (non-visible)
- Billboards
- Interior renovation
- Temporary, portable, or non-permanent improvements
- New construction
- Property acquisition
- Expansion of building area
- Conversion of use
- Working capital
- Refinance of existing debt
- Payment of delinquent taxes



- Improvements in progress or completed prior to loan/grant approval
- Interior rehabilitation including modernization of electrical, mechanical, or structural elements. However, façade improvement funds may be used for façade improvements in conjunction with a separately financed rehabilitation project.
- Do not follow the approved architectural plans and designs for the façade renovation.
- Cannot demonstrate the ability to bear the entire cost of relocation and related expenses of residential or nonresidential Applicants displaced because of project activities.
- Activities specifically prohibited by the program's funding source.

■ Community Development Priorities

Approval of applications will be considered based on strength of proposals and readiness to begin work, funding availability, and Community Development priorities. Proposals will be scored and selected by the Community Development Façade Improvement Committee based on the following priorities:

1. Projects supporting the overall goals of the City's Consolidated Plan
2. Projects improving economically distressed areas by eliminating blight, improving property values, creating, and retaining jobs, and enhancing commercial viability.
3. Severely deteriorated buildings with negative impact on the community
4. Properties identified blighted as defined in applicable area redevelopment plan
5. Projects advancing disadvantaged business entities, defined as a minority-owned business, a woman-owned business, or a small business.
6. Properties with significant Codes Enforcement history
7. Prominent highly visible locations such as major intersections or locations on major arterials
8. Businesses located in pedestrian and high traffic-oriented business located along Center Point Parkway
9. Vacant buildings being returned to active use
10. Buildings located in areas where other public investment is taking place



11. Projects that leverage maximum private investment

12. Building without residential occupancy

■ **Architectural Drawings, Design, and Specifications**

Applicants will be required to include architectural drawings and specifications of the proposed façade improvements as part of their application. The architect will also assist the owner in establishing a reasonable budget for the proposed façade work. Any architectural expense in excess of \$2,500.00 will be the sole responsibility of the applicant with consultation by the city.

■ **Economic Development Committee and City Council Application and Design Review**

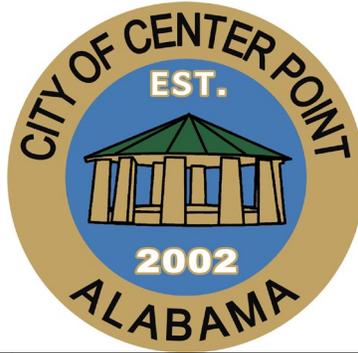
Applications will first be reviewed by the Economic Development Committee. Approved applications will then be forwarded to the City Council for final approval. After application approval, there will be subsequent meeting(s) scheduled to review and approve architectural drawings and project design. Both the Economic Development Committee and the City Council will review applications to ensure, through an equitable process, that an application meets all applicable guidelines. Property owners are required to attend, or send a representative to attend, all meetings, when their application and design is being reviewed.

■ **Design Guidelines**

Eligible proposals will be required to follow city ordinances, building code regulations, and other applicable regulations related to the scope of work needed. These guidelines are provided to assure appropriateness, safety, and security of the proposed work. During the Design Review process, the committee will establish project completion percentage timelines based on architectural drawings and designs submitted to the committee with the application. Payment reimbursement will be based upon these established timelines at 30 days, 60 days, 90 days, 120 days, and 180 days.

**Payment Reimbursement**

Once application is approved, grantee will be reimbursed based on timeline and guidelines as established in table below:



<b>Days</b>	<b>% Of job completion</b>	<b>Amount paid</b>
30 days	10%	\$4,000
60 days	30%	\$4,000
90 days	50%	\$4,000
120 days	85%	\$4,000
180 days	100%	\$4,000

Grantee will receive first payment of \$4,000 upon completion of 10% of the approved design project, set forth by the committee (refer to Design Guideline section), 30 days after the project start date. Grantee will receive second payment of \$4,000 upon completion of 30% of the approved design project, 60 days after the project start date, and so on according to the table above.

■ **Procurement**

Once the design is approved, the owner agrees to solicit a minimum of three (3) competitive bids to include certified and disadvantaged business contractors for the rehabilitation work from general contractors licensed by the State of Alabama. Bids must be solicited separately for the Façade Improvement Program eligible work. In cases where non-façade work is to be completed simultaneously with façade funded work, the owner may include the façade work in the scope for the entire project providing that the façade portion is delineated separately. The city requires the grantee takes reasonable steps to ensure bidder is most qualified and reasonable. Furthermore, the owner does have the option of choosing one of the other contractors that submitted bids, provided that the contractor can and will perform the defined scope of work at the best bid price. Grantee must submit bid proposals to Economic Development Committee and or appointed designee assigned by the committee. Contractors selected are required to take affirmative steps to encourage the use of minority and women- owned business enterprises when subcontracts are let. All contractors must be eligible to do work on federal contracts and must not be debarred or suspended.



In the rare instance where the building owner(s) are also licensed commercial contractors and qualified to bid on projects through the Façade Improvement Program, upon request, committee may consider the possibility of the building owner(s) acting as the contractor for their own façade work. If approved by committee, such a façade project may not be subject to the bid process. The building owner(s)/contractor(s) will be responsible for submitting a budget for approval by committee. Profit/overhead will not be accepted as a valid budgetary line item. The building owner(s) will need to produce certification of being a licensed commercial contractor in the State of Alabama and will need to show proof of insurance for the work being proposed.

■ **Financing Policies**

•Reimbursements – Progress payments will typically be on a reimbursement basis. The total reimbursement for all forms of façade improvement assistance will not exceed \$20,000 per building. Projects must be completed within 6 months after the start of construction, unless the City approves a longer timeline, which is at the city's sole discretion.

•Security and Loan Forgiveness - The façade improvement project loan will be secured by deed of trust on the real estate for the requisite term which amount will be forgiven twenty percent (20%) each year, for a total of five (5) years providing the property continues to be maintained in accordance with the program requirements, such as retention of ownership, maintenance of the façade, payment of all property taxes due, and maintaining property insurance with the City listed as a mortgagee. In addition, full occupancy of the completed structure is a required condition for loan forgiveness. Upon receiving a certificate of occupancy for the building, the owner has 180 days to install Applicants within the structure. Any vacancy beyond this 180-day period will cease all forgiveness of the loan until the building is fully occupied. However, at the City's discretion, the loan may continue to forgive for more 180- day periods if the owner shows proof of active and aggressive efforts to obtain Applicants for the property. Proof of efforts to obtain Applicants includes invoices for advertising, copies of ads run and any other proof of active marketing of the property. After the final second 180-day period has expired, all loan forgiveness will cease until the building is fully occupied, regardless of proof of active marketing. "Occupancy" refers to having an active business open to the public, or Applicant in the case of mixed-use properties. Use of the building for storage does not qualify as occupancy, except for buildings marketed and licensed as retail storage facilities.

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**Signature I acknowledge I have read and fully understand and agree to "Security and Loan Forgiveness"**



- Repayments - No repayments will be required if all terms are met.

- Default - A recipient will be considered in default and the balance of financial assistance immediately due and payable upon failure of the borrower to retain ownership of the property for the duration of the forgivable loan; failure to properly maintain the façade after improvements are completed; failure to maintain property insurance; delinquency in property taxes; or failure to operate in compliance with all applicable local, state, and federal codes, laws, and regulations.

- Remedies of Default - In the event of default, the city may exercise any combination of the remedies available to it with respect to the security agreement(s). The city may take whatever action at law, or in equity, as may appear necessary or desirable to collect any outstanding balance or to enforce the performance and observation of any other obligation or agreement of the recipient.

■ **General Requirements**

- All work must be done in accordance with the Design Guidelines; all applicable local, state, and federal codes; and rules and regulations for the Community Development Block Grant program or any other applicable federal program. Any renovation work undertaken prior to the City's written authorization to begin construction is not eligible for assistance under the program. All renovation work undertaken in conjunction with the Façade Improvement Program that exceeds approved financial assistance will be borne by the applicant.

- Properties with residential components will be required to meet applicable lead-based paint abatement requirements.

- Each recipient will be responsible for all acquisition and relocation costs when displacement of Applicants occurs because of the project, in accordance with the Federal Uniform Relocation Act.

- All applicants will be required to demonstrate compliance with nondiscriminatory employment practices and Affirmative Action Programs under Title VI and Section 112 of the Civil Rights Act of 1964 and Public Law 92-65. Applicants are encouraged to utilize minority and women-owned business enterprises under this program.



•The City of Center Point or any duly authorized representatives, will have access to any books, documents, papers, and records that are directly related to the program assistance for the purposes of monitoring, making audits, examination, excerpts, and transcripts. All records supporting the costs and components of program-assisted improvements will be maintained for a period not less than 5 years following completion of the program agreement period, agreement termination, or default, whichever shall first occur. No person who is an employee, agent, consultant, officer, appointed official, or elected official of the City of Center Point who exercises or has exercised any functions or responsibilities with respect to Facade Improvement activities, or is in a position to participate in a decision-making process, or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit, or have interest in any program assistance, either for themselves or those with whom they have family or business ties, during their tenure.

•Please contact the City of Center Point (205) 854-4460 with any questions or to obtain additional information about the Facade Improvement Program.

#### ■ **Other Complaint/Grievance**

If a grantee has a complaint or grievance other than one that is related to the contractor and the work of the contractor, he or she must first contact the City of Center Point. If the staff person cannot or does not resolve the issue, the property owner should submit their complaint or grievance in writing to the Economic Development Committee. The Committee Chair or Co-Chair will respond in writing to the complaint within 10 business days with specific answers. If the property owner remains dissatisfied, he or she may contact the Mayor or Council Representative.

#### **Subordination**

Property owners who have a loan with the City of Center Point may apply for a subordination agreement. Applications will be reviewed carefully and approved or disapproved, on a case-by-case basis. Approval is not automatic. Generally, the city will subordinate only once over the life of the loan. The criteria listed below will be considered in arriving at a decision.

1.Subordination agreements will only be approved for the purpose of refinancing of an existing mortgage with better rates and/or terms. Cash out exceptions will be for loans needed to make improvements to the property.

2.Basic requirements for approval:



- a. The property owner’s loan(s) with City of Center Point must be paid up-to-date or otherwise not in default.
- b. Property taxes must be current and in compliance with the policy stated above.
- c. Property owner must provide insurance coverage on the property with the City of Center Point listed as additional insured.
- d. The new loan must not affect the client’s ability to retain eligibility for their loan(s) to the City of Center Point.

■ **Indemnification**

Applicant hereby agrees to indemnify, defend, save and hold harmless City, its respective successor, assigns, members, managers, employees, agents, and attorneys from and against all claims, demands, actions, judgments, damages, expenses, fees, liabilities, and/or attorney’s fees arising out of, by virtue of or associated with, any claims, demands, or actions brought by third parties which are related in any way or are associated with Applicant's participation in this Grant Program.

I have read and understand the Façade Improvement Policies and Procedures, for the City of Center Point established April 2022.

\_\_\_\_\_  
Signature of applicant and date

\_\_\_\_\_  
Printed name of applicant

\_\_\_\_\_  
Signature of witness and date

\_\_\_\_\_  
Printed name of witness



THE UNDERSIGNED, IN CONSIDERATION OF THE ABOVE REFERENCED LOAN BETWEEN CITY AND APPLICANT, GUARANTEES THE PAYMENT OF THE LOAN, TO BE PAID BY APPLICANT TO THE CITY AND FURTHER GUARANTEES THE PERFORMANCE OF THE APPLICANT OF ALL TERMS, OBLIGATIONS, CONDITIONS, COVENANTS AND AGREEMENTS OF THE LOAN, AND THE UNDERSIGNED AGREES TO PAY ALL REASONABLE EXPENSES, INCLUDING ATTORNEY FEES AND COURT COSTS INCURRED BY THE CITY IN SUCCESSFULLY ENFORCING ANY OBLIGATIONS OF THE APPLICANT UNDER THE LOAN OR INCURRED BY THE CITY IN SUCCESSFULLY ENFORCING THIS GUARANTY.

Done on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

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Print, Individually

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Signature, Individually