



## **Buena Vista Downtown CDBG Façade Improvement Program**

### **Program Design**

**FINAL 10/18/2021**

### **BACKGROUND**

The City of Buena Vista obtained funding in 2019 through the Community Development Block Grant (CDBG) program for a business district revitalization plan based on physical and economic blight in the downtown area. The Downtown Revitalization Plan was completed in 2021 and provides a roadmap for rehabilitation and redevelopment of downtown buildings and streetscapes, as well as for economic development. In 2021, the City was awarded a \$1m grant to implement recommendations of the plan. One component of implementation is a façade improvement program for buildings within the downtown district.

### **PROGRAM GOALS**

The goals of the façade improvement program:

- Contribute to elimination of physical and economic blight in the downtown district
- Stimulate and leverage private investment in downtown buildings
- Create an appealing downtown for residents and visitors

### **PROGRAM SUMMARY**

The CDBG Façade Improvement Program provides construction services to downtown buildings to make physical improvements to their facades, matched by cash or in-kind contributions from the property owner. Alternatively, the program may provide cash grants for purchase of materials only, matched by cash or in-kind contributions from the property owner.

### **HOW IT WORKS**

The CDBG Façade Improvement Program is not like a traditional façade grant program. Instead, it is a coordinated one-time partnership by the City and property owners to fix up facades in the entire downtown. The Program is only available for the downtown district (see map below). Participation in the program is voluntary except for properties identified as physically blighted; to meet the overall CDBG program goal of blight elimination, these buildings must be improved in some way.

The City will engage and compensate an architect who will work with property owners and develop concept sketches for façade improvements. Each building will be considered individually. The role of the architect will be to provide professional design services and to show businesses and owners what is possible, not to enforce a particular style or aesthetic. However, all work must meet prescribed CDBG Façade Improvement Design Guidelines (see separate document). The scope and extent of work done to the façade is ultimately up to the building owner and available funding.

Once conceptual designs for all participating buildings are complete, the City will contract with a single general contractor to perform work on all of the buildings. The value of the work being done to a single building must be matched 1:1 by the property owner. Match may consist of cash, or it may consist of additional owner-performed work on the façade, or owner-performed work on the interior of the building, etc. (see details below). The value of the grant-funded portion of the work will be considered a forgivable loan which will be recorded as a lien against the property for a period of five (5) years.

Alternatively, if approved by the City on a case-by-case basis, property owners may request a cash grant to reimburse for materials used to improve the façade. Labor is not eligible for cash reimbursement. In this case again, the value of grant-funded materials will be considered a forgivable loan recorded against the property for a period of five (5) years.

Allocation of funding for construction or materials among participating buildings will be determined by the CDBG Facade Oversight Board (FOB) based on building need and number of participants. The total budget of the façade improvement program is \$50,000, but awards will vary. At least ten buildings will have improvements.

## **KEY DATES**

October 8	Property Owner Agreements due to participate in program
October – December	Consultations with architect, property owner, and City to develop designs
January 2022	Scopes of work finalized, budget developed, project evaluation and ranking
February 2022	Procurement of contractor
March – May 2022	Construction

## **ELIGIBLE PARTICIPATING BUILDINGS**

Eligible buildings must be located within the downtown district (map attached) and in need of façade improvements. Buildings may be either occupied or vacant. The building owner must be the applicant.

## **ELIGIBLE IMPROVEMENTS**

Eligible improvements may be made to the street-facing side (façade) of the building only. Corner buildings may have more than one eligible side. Improvements may include the following:

- Masonry cleaning and repair
- Painting
- Canopies and awnings
- Gutters and downspouts
- Windows and doors

- Exterior lighting
- Business signage

Ineligible items:

- Maintenance work (e.g. window cleaning)
- Work done on other sides of the buildings
- Interior work
- Roof work
- Electrical, plumbing, or mechanical work
- Structural elements
- Nonpermanent fixtures (e.g. movable signage)
- Signage for off-premise businesses

## **MATCH**

The value of all improvements funded by CDBG must be matched dollar for dollar (1:1) by the value of improvements made by, or paid for by, the property owner. Two types of match are accepted, cash match and in-kind match. These two types may be combined on a single building.

Cash Match: Property owners and the City develop a design and scope of work for the façade and a value is established. The City includes the scope of work in its single façade improvement construction contract, and the property owner pays in cash to the City half of the cost of the work performed on his or her building. The cash match may be financed by a loan.

In-Kind Match: Property owners and the City develop a design and scope of work for the façade and a value is established. The City includes the scope of work in its single façade improvement construction contract. The property owner performs other work on his or her property, outside the scope established with the City, which has the same dollar value as the work performed with CDBG funds.

Eligible matching in-kind work on the property is not limited to the façade. Eligible matching work includes, but is not limited to, the following.

- Any work on the façade of the building which is eligible for CDBG funding
- Work on the building which removes blighting conditions
- Repair or replacement of the roof system including gutters and downspouts
- Repair of existing or new signage for a business
- Interior work on a commercial space. This includes structural, cosmetic, electrical, plumbing, or mechanical.
- Site work at a business location, to include storm water management strategies, parking areas, unenclosed structures, and landscaping.

In-kind work is subject to approval as match by the City. In-kind work must have been performed after July 1, 2021 to be eligible, and full documentation of all costs must be submitted to the City. If in-kind work was performed by the property owner or by volunteers,

costs of materials and equipment rental may be eligible match, but labor by the owner or volunteers is not eligible match.

## **PROCESS AND EVALUATION OF APPLICATIONS**

- 1) The City will contact all eligible building owners about the program. They will be informed whether their building is designated as “blighted” and thus whether improvements are mandatory.
- 2) The City will collect participation agreements from all building owners who choose to participate in the program.
- 3) The City, the consulting architect, and property owners will collaboratively develop improvement plans for each building façade.
- 4) The City will develop a unified scope of work and budget for all the proposed work.
- 5) Façade Oversight Board (FOB) and the City will review the scope and budget, along with proposed property owner matches, and allocate funding among the participating buildings. Factors to be considered when allocating funding:
  - a. Condition of building (dilapidated buildings will receive priority)
  - b. Cost-to-impact ratio, that is, whether the proposed work will have a significant impact on the appearance or function of a building, in relation to the cost of the work
  - c. Whether the building has received Façade Improvement Grants from the City within the last five (5) years
  - d. Size of the building and/or length of façade (similar to cost-to-impact analysis)
- 6) All match amounts will be finalized, and property owners must provide matching funds or documentation of in-kind match. The City will review and approve in-kind match.
- 7) Once the scope of work is finalized, the City will procure a contractor and begin construction.
- 8) The City will place a lien against the property for the value of the performed work funded by CDBG.

A formal contract and lien must secure each job involving CDBG assistance. The City will prepare these documents for execution by the owner. Prior to the execution of the contract documents, the owner of the structure to be improved will be required to provide evidence of ownership. The City will require written documentation that the structure is covered by all-hazard liability insurance in an amount sufficient to protect the City’s investment in the improvements.

The two- or three-party contract will outline each party’s responsibilities and the work description. In addition to the contract, a deed of trust (the lien) will be executed by the owner and the City and subsequently recorded to secure the loan. A building permit is required and is the responsibility of the contractor or owner.

The Façade Oversight Board (FOB) will be assembled Fall 2021 and will include community/business members of the CDBG Project Management Team, the project architect, the City Building Official Alan McMahan, and Kristina Ramsey. It will not review the substance of the design, but will rather determine allocation of funding.

## **TERMS OF LOAN/LIEN**

The value of the work performed with CDBG funds by the City will be considered a forgivable loan. The forgivable loan is for a term of five (5) years at zero percent (0%) interest. The loan will be forgiven monthly for a period of 60 months and the property lien removed if the applicant has met the following conditions:

- a) The property owner has completed the façade improvements in accordance with the CDBG program guidelines and has done so within twelve (12) months of bid acceptance, unless the City grants a request for an extension of time. The City will be responsible for ensuring that all building facades receiving CDBG funds are free of blight once the construction is complete.
- b) The property owner has continued to maintain the façade in satisfactory condition.
- c) The owner of the building at the time of the forgivable loan approval has retained ownership of the improved property during the five year period. If the owner sells the property within the five-year term, or otherwise voluntarily transfers ownership, the balance on the loan note will become due and payable on a prorated basis.  
Alternatively, the balance of the loan may be transferred to the new owner with a new lien initiated with the City for the balance of the lien term.

Any funds returned to the City through enforcement of these conditions will be considered program income, and will be used to make additional forgivable loans and improvements to other properties in accordance with this program design and the City's Program Income Plan.

## **MATERIALS-ONLY ALTERNATIVE**

As an alternative to participating in the single construction contract by the City, building owners may choose to perform CDBG-funded work themselves or hire their own contractor. However, if this alternative is chosen, CDBG funds may only pay for documented material costs and not labor costs. All other provisions of the program apply.

## **DESIGN GUIDELINES AND REVIEW**

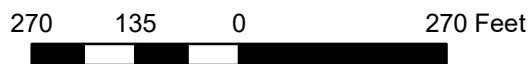
To set some broad parameters for the improvements and ensure quality work, the CDBG program requires the façade improvement program include a set of design guidelines. The City is preparing a brief, flexible set of façade design guidelines that focus on quality architectural features and not on particular materials or colors or styles.

Additionally, CDBG-funded work on buildings which are contributing elements of the National Register of Historic Places-listed Buena Vista Downtown Historic District must follow the Secretary of the Interior's Standards for Rehabilitation and be reviewed by the Virginia Department of Historic Resources (DHR). The Standards are focused on preservation rehabilitation of historic features and materials to the extent feasible. The City will handle all communication with DHR regarding this review.





Any determination of topography or contours, or any depiction of physical improvements, property lines or boundaries is for general information only and shall not be used for the design, modification, or construction of improvements to real property or for flood plain determination.



## Downtown Business District CDBG

Planning & Zoning | 2/9/2021