



CITY OF HASTINGS

DOWNTOWN DEVELOPMENT AUTHORITY

BUILDING EXTERIOR IMPROVEMENT
PROGRAM

LOAN APPLICATION PACKET

"In accordance with Federal law and U.S. Department of Agricultural policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, or call (800)795-3272 (voice) or (202) 720-6382 (TDD)"

"This institution is an equal opportunity provider, and employer"

APPLICATION PACKET

This packet is designed to guide you through the process of applying for a grant and loan through the City of Hastings Downtown Development Authority (DDA) Exterior Building Improvement Program. The goal of this program is to provide a zero percent interest loan to property owners within the DDA District who want to make capital improvements to their buildings.

- Please note that this program is available for **commercial** buildings within the DDA District only.
- A \$250 non-refundable application fee must accompany the signed application form for projects. Please make check payable to: City of Hastings. For Emergency Funds loans the application fee can come out of total loan amount.

Questions about this program are welcome and should be directed to:

*Dan King
Community Development Director
City of Hastings
201 East State Street
Hastings, Michigan 49058
(269) 945-2468
(269) 948-9544 fax
dking@hastingsmi.org.*

Funding for the City of Hastings Downtown Development Authority
Exterior Building Improvement Program
provided by:
United States Department of Agriculture

Loans administered and serviced by:
City of Hastings

APPLICATION PROCESS

1. Applicant must submit an application, complete application supporting documents, and a \$250 non-refundable application fee (applications for Emergency Funds, the application fee will be part of the total loan amount) to the City of Hastings Community Development Department at 201 East State Street, Hastings, Michigan 49058.
2. Detailed design and architectural sketches for projects must be submitted with application or must be on file at the City of Hastings Community Development Department.
3. All applications will be reviewed by City of Hastings staff, Loan Review Committee members and the DDA Board. Applications for projects must be received for committee review two weeks prior to the DDA's monthly meeting (3rd Thursday of the month at 8:00 a.m.). Applicants should be prepared to present their proposed project for DDA questions. Preliminary approval or denial of the application will be made at the Loan Review Committee meeting. Emergency Funds applications will be reviewed as quickly as possible.
4. Upon Loan Committee approval the DDA Board will review the application, including financial documents. Approval or denial of the application will be made no later than one week after the DDA Board reviews the loan.
5. Upon approval of the application by the DDA, the applicant and loan amount will be forwarded to the USDA for approval. Upon approval from USDA, City of Hastings staff will prepare a commitment letter and forward to the applicant. The applicant must sign and return the letter within 10 business days. This timeline will be expediated for Emergency Funds loans.
6. The City Attorney and City staff will prepare all documents required for closing. Community Development staff will review loan closing checklist to ensure all documents are assembled and conditions met.

LOAN PROGRAM REQUIREMENTS

Applicant Eligibility

- Owners of real property within the Hastings DDA District.
- Owners of business establishments within the DDA District. Tenants need written approval from the property owner for proposed projects.
- Emergency Funds loans are only available to owners of business establishments within the DDA District.
- More than one loan may be available per applicant, subject to the discretion of the DDA Board.
- Applicants will be required to complete an application packet provided by the City of Hastings Community Development Department.
- Property taxes and other City accounts must be current.
- Project components must have a useful life of at least 10 years.

Potential Program Uses

- Repair or replacement of windows, doors, walls, or other appropriate architectural elements.
- Exterior painting
- Awnings
- Roofs
- Exterior Lighting
- Fire Suppression
- Elevator
- Handicap Compliance
- HVAC Equipment
- Masonry repair or cleaning

- Conversion to retail or entertainment storefront
- Restoration of vintage elements
- Materials and labor for work performed in association with above-mentioned improvements.
- Emergency funds to help with expenses such as rent, utilities, property taxes, and building related expenses.
 - Must be a qualifying emergency (Government State of Emergency or Disaster).
 - Qualifying emergency must create a hardship because the business is limited or cannot be open.
 - Applicant must provide documentation showing attempts to apply for other assistance.
 - Limited to \$5,000 per application.

Note: All work performed in association with an eligible project shall be performed by licensed contractors. Any work that requires the use of scaffolding, lifts or other construction equipment in a public area must be effectively barricaded to protect the public from danger and approved by the Public Safety Department and the Department of Public Services. All work must comply with the design standards of the zoning district the building is located.

Ineligible Program Uses

- Refinancing of existing debt/return of owner's capital
- Expenses incurred prior to approval of site plan by the DDA
- Site plan, building permit fees
- Labor costs paid to the applicant or relatives of applicant
- Payment of the organizational costs of a start-up
- Financing of the distribution of payments to owners and shareholders
- Payment of finder's fee for securing financing

Loan Review and Approval Requirements

- A valid lean on the subject property may be required as security, at the Loan Review Committee's recommendation.
- Funding for projects undertaken prior to DDA approval will not be considered.
- All required municipal or governmental permits must be obtained prior to construction start-up.
- Applicant must provide proof that all property taxes are current and the subject property is properly insured.
- Emergency Funds loans will be awarded based on checklist (included in application).

Terms and Conditions

- The loan will be limited to that amount needed to fund the difference between the private funding source(s) and the total project cost and may be limited to a maximum of \$10,000 subject to the discretion of the DDA board.
- There is a dollar for dollar match requirement. Match dollars can come from the property owner, business owner, DDA, financial institution or a combination.
- The terms of the loan are at zero percent interest amortized for seven years. Emergency funds loans are at zero percent interest and applicants will have up to three (3) years to repay. The loan will be called due and payable if conditions of the loan agreement are violated, or if the applicant sells the business or moves the business outside of the DDA District. Applicants may pay off the loan at any time.
- A check to the loan recipient for 50% of loan amount will be disbursed at 50% project completion. The remaining 50% of the total loan amount will be disbursed at project completion.
- If the loan is for emergency funds, the applicant may draw funds by providing documentation of amounts paid for appropriate expenditures. Reimbursements are for expenditures as of the date of the declared emergency or disaster (funds can be paid retroactively to the date of emergency). Reimbursements will be paid once a month. Documentation must be submitted to the City of Hastings by the 15th of the month and applicant will receive reimbursement within 5-7 business days from the 15th of the month.
- Repayment of loan for a project will begin upon completion of project. Repayment of loan for emergency funds will begin four (4) months after the first reimbursement request. Repayment may be adjusted per approval of the DDA Board.

Loan Servicing

- ✓ All loans will be serviced by City of Hastings.

Default and Remedy

- ✓ Applicants must demonstrate a bona fide commitment to implement building improvements and must certify that construction will commence

within 60 days of approval and that the project will be completed within 365 days thereafter. Applicant will be in default if rehabilitation is not undertaken within the specific time period. Deadline extension requests must be made in writing and are subject to the DDA's approval.

- ✓ One or more of the following events shall constitute default:
 1. The applicant fails to pay, when due, any real estate taxes or special assessments on the subject property.
 2. The 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 Building Exterior Improvement Program loan.

**BUILDING EXTERIOR IMPROVEMENT PROGRAM
DDA APPLICATION FORM**

APPLICANT NAME:	
APPLICANT ADDRESS:	
PHONE:	FAX:
BUILDING LOCATION:	
OWNER OF RECORD:	
BUSINESS STRUCTURE (<i>Choose One</i>):	
<input type="radio"/> Sole Proprietor	<input type="radio"/> Partnership
<input type="radio"/> Corporation	<input type="radio"/> Limited Liability Corporation

PROJECT TYPE:	
Number of years in business: Current location =	Total=
LOAN: <i>Amount Needed (\$)</i>	

<p>PROJECT DESCRIPTION: (Only for non-emergency loans) Please describe in detail the proposed work on your building. Please include a detailed project budget. Attach architectural sketches. Use separate sheet(s) if necessary.</p> <p>EMERGENCY FUNDS LOANS: Please explain how emergency has affected your business operations. Please provide documentation of attempts to apply for other assistance. Please include a list of how the requested funds will be utilized.</p>	
Anticipated Construction Start Date:	Estimated Completion Date:
Anticipated Total Project Cost:	

APPLICATION SUPPORTING DOCUMENTS CHECKLIST

<p>Attachment 1: PROPERTY-RELATED DOCUMENTS</p>	<ul style="list-style-type: none"> ○ Property deed with legal description of property (if owned by applicant) ○ Copies of lease(s)/rental agreement(s) associated with the property ○ Proof of appropriate general hazard or liability insurance policy, or other insurance payable to lender
<p>Attachment 2: FINANCIAL DOCUMENTS</p>	<ul style="list-style-type: none"> ○ Business plan, including plans for leasing space if vacant (sample form available) ○ Projected cash flow statements for next two years, including annual rental income and terms (sample form available) ○ Personal and/or business tax returns for last two years ○ Personal financial statement, signed and dated (sample form available) ○ Valid mortgage on subject property and/or personal guarantee, if applicable ○ Contingency plan for loan repayment ○ Articles of incorporation and by-laws, or partnership agreement, if applicable ○ Corporate resolution to borrow, or partnership agreement and authorization for borrowing (if applicable)
<p>Attachment 3: DESIGN/ ARCHITECTURAL DOCUMENTS (if building improvement)</p>	<ul style="list-style-type: none"> ○ Photographs, sketches, and/or blueprints of proposed project ○ Recommended two (2) contractor quotes/construction bids for materials and labor ○ Project budget

EMERGENCY LOAN APPROVAL PRIORITIES

Applications for Emergency Funds containing the following characteristics will have priority in the appropriation of funds: **(40 Points available)**

- New Loan (1st Time Applicant)[**up to 2pts**] _____
- Number of years in business at this location and total [**up to 5pts**] _____
- Severity of emergency's effect on business activity [**up to 5pts**] _____
- Documentation of attempts to acquire other assistance [**up to 5pts**] _____
- List of proposed uses of funds are appropriate [**up to 5pts**] _____
- Loan Committee's recommendation for approval [**up to 5pts**] _____
- Evidence of business to re-open after emergency [**up to 5pts**] _____
- Supporting documentation provided [**up to 3pts**] _____
- Property Tax and other City accounts are current [**up to 5pts**] _____

- Total** _____

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 City of Hastings Building Exterior Improvement 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 City of Hastings.

The City of Hastings reserves the right to monitor the progress of project activities contained herein and made part of the "Remuneration Agreement" and "Rehabilitation Agreement" attached hereto.

Signed this _____ day of _____

By: _____

its: _____

4/29/2020

Disclosure Statement For Applications

The following information is requested by the federal government in order to monitor compliance with federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to observe the race, ethnicity, and sex of applicants based on visual observations or surname.

Applicant

Co-Applicant

I do not wish to furnish this information

I do not wish to furnish this information

Ethnicity:

Hispanic or Latino

Hispanic or Latino

Not Hispanic or Latino

Not Hispanic or Latino

Race: (Mark all that apply)

White

White

Black or African American

Black or African American

American Indian or Alaska Native

American Indian or Alaska Native

Asian

Asian

Native Hawaiian/Other Pacific Islander

Native Hawaiian/Other Pacific Islander

Sex:

Male

Male

Female

Female