

## **DOWNTOWN FAÇADE PROGRAM**

### **INTRODUCTION**

The Elkhart Urban Enterprise Association (Elkhart UEA) has established a façade loan program to encourage building rehabilitation within the Downtown Elkhart Commercial Historic District. Officially listed in the National Register of Historic Places in November of 1997, this district is the site of some of Elkhart's most unique and historic examples of architecture. The Elkhart UEA recognizes the significant impact that the building facades of these structures can have on the attractiveness and marketability of our downtown, and it is for this reason that we created the façade loan program.

### **PROGRAM ELIGIBILITY & GUIDELINES**

The Elkhart UEA will provide funding for up to 50% of eligible costs (maximum grant award of \$20,000) for exterior rehabilitation of commercial/retail buildings located within the Downtown Commercial Historic District area as shown on the attached map. Funding assistance is also available for awnings or canopies located on the primary façade for 50% of the total cost up to a maximum of \$1,000.00.

The maximum assistance available for each loan will be determined by the need and necessity of each applicant. This assistance may be accessed during one or more program funding cycles. The loans are secured by a mortgage on the property, but require no payments and carry a 0% interest rate. The loans will be forgiven on a monthly basis, and upon the third anniversary of the loan, as long as ownership of the property has not changed, the loan is forgiven and the mortgage released.

The EUEA will pay 50% up to \$1,000.00 of architectural drawings done on a property, and then reimburse another \$1,000.00 if the project is carried through.

Funds are available only for the rehabilitation and improvement of a primary façade of a building, which is defined as the vertical face of a building that fronts directly on a public street. (It is thus possible for a building located on a corner to have two primary facades, and for work done on either or both to be eligible for assistance through this program.). However, funds are also available for the rehabilitation and improvement of a rear façade of a building which directly faces the River Walk.

The applicant for the loan program must own the building that work is to be completed on. Applications for assistance on buildings being purchased through a land contract require the signatures of all parties with an ownership interest.

All approved projects must be completed within one (1) year of grant award date.

Multiple façade grants on a single structure are at the full discretion of the EUEA Board of Directors.

All work must meet the Secretary of the Interior's Standards for Rehabilitation and any additional standards that accompany the Commercial Historic District designation.

Eligible project costs include:

- architectural fees for the preparation of construction drawings, specifications, and construction supervision
- removal and/or replacement of inappropriate façade covering materials
- repair or replacement of windows and doors
- new awnings or canopies, or the removal and/or replacement of awnings or canopies
- cleaning and tuck pointing of masonry
- exterior painting or paint removal
- exterior cleaning
- repair or replacement of architectural details
- new signage or the restoration of historic painted commercial signage
- exterior lighting
- structural reinforcement for the primary façade

Examples of Ineligible Improvements:

- roof repairs (excluding parapets)
- interior improvements not related to façade work
- new construction
- unlicensed contract work or "sweat equity"
- sandblasting
- electrical work (except work related to signage and exterior lighting)

Any work commenced prior to execution of a contract between the EUEA and a loan recipient will not be eligible under this program.

The Elkhart UEA reserves the right to a) fund any, all, or none of the applications received, b) to set minimum scoring requirements for funding, c) to provide funding in multiple cycles or rounds, and c) to change the guidelines, procedures, and policies of the program at any time.

## PROGRAM PROCEDURES

- Step 1. Application for Assistance:** Building owner(s) submits 1) completed application form, 2) work specifications and drawings from a licensed architect, and 3) three cost estimates for the proposed work. Applications can be submitted at any time between the hours of 8:00 a.m. to 5:00 p.m. to the UEA in care of the Department of Planning & Development, 229 S. 2<sup>nd</sup> St., Elkhart
- Step 2. Application Review:** The Architectural Review Committee and the EUEA will review proposed work and certify compliance with all applicable rehabilitation guidelines. The Elkhart UEA will then review the applications, conduct site inspections, and score each request using the attached Application Scoring form. Preliminary funding decisions will be made at this time.
- Step 3. Preliminary Approval:** The Elkhart UEA will make preliminary funding awards, subject to State environmental and historic review and a title search of each property, for each project in which CDBG funds will be accessed. Upon written notice of preliminary approval, each successful applicant will have five days to submit a \$100 non-refundable Application and Processing Fee. The Elkhart UEA will then submit the appropriate environmental and historic review documents, and conducts a title search.
- Step 4. Final Approval:** With those projects where CDBG funds are going to be accessed, when State environmental and historic approval is made, and approval of the title search conducted, the applicant enters into a reimbursement agreement with the Elkhart UEA.
- Step 5. Construction:** Once a contract is signed, work may begin. A project-specific schedule will be included in the contract, based upon each application. Work commenced prior to the execution of a contract, or incomplete after expiration of the contract, will not be reimbursable.
- Step 6. Reimbursement/Loan Closing:** Once all work is completed and paid, applicant submits copies of all paid invoices and a request for reimbursement from the Elkhart UEA. With those projects in which CDBG funds are used, The Historic Landmarks Foundation of Indiana then reviews and inspects rehabilitation work, and certifies its completion in accordance with the proposed scope of work. The Elkhart UEA prepares legal documents, obtains loan recipient's signature, disperses funds, and records a mortgage on the property.
- Step 7. Loan Forgiveness:** On the third anniversary of the mortgage, the Elkhart UEA will forgive the entire loan amount and record a release of the mortgage. Forgiveness of loan is determined on a monthly basis using a monthly amortization schedule.

Complete forgiveness of the loan is only provided if property ownership is maintained by the same party throughout the entire three-year period. Any title transfer or land contract sale during that period will automatically call the remaining portion of the note due, and partial payment of the loan will be required.

<p style="text-align: center;"><b>THE SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION</b></p>
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**The following Standards are to be applied to specific rehabilitation projects in a reasonable manner, in which CDBG funds are going to be accessed, taking into consideration economic and technical feasibility.**

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained or preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.

7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.