



## City of Oneonta Downtown Improvement Fund (DIF)

### Program Information for Applicants



**APPLICATIONS MUST BE RECEIVED ON OR BEFORE  
FRIDAY, AUGUST 31<sup>st</sup>, 2018, at 4:00 p.m.**

**For Signage Only: Submit by Tuesday, July 31<sup>st</sup> for Early Consideration**

Applications may be mailed or delivered to DRI, c/o City Hall, 258 Main Street, Oneonta, NY,  
13820, or emailed to  
Elizabeth Horvath at [ehorvath@delawareengineering.com](mailto:ehorvath@delawareengineering.com)

#### **FUND OR APPLICATION QUESTIONS?**

Contact Elizabeth Horvath at [ehorvath@delawareengineering.com](mailto:ehorvath@delawareengineering.com) or (607) 432 8073

# City of Oneonta Downtown Improvement Fund

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# City of Oneonta Downtown Improvement Fund

## I. General Information

The funds in the Downtown Improvement Fund (DIF) originated from the one-time Downtown Revitalization Initiative (DRI) infusion, provided on behalf of Homes and Community Renewal (HCR) and the Housing Trust Fund Corporation (HTFC) of New York State.

### **Purpose**

The Downtown Improvement Fund (DIF) will provide funding to make necessary improvements for downtown businesses and buildings. It will provide support for small businesses and will improve housing alternatives within the DRI boundary. It strives to increase quality, year-round occupied housing stock by creating or converting vacant or underutilized upper story space into new residential units. A larger and more diverse resident population in downtown Oneonta will result in increased spending and support for jobs in downtown stores, and increased activity on downtown streets, and will support the revitalization of downtown. Funding assistance will be available for signage and building improvement projects, specifically façade improvements and the creation/renovation of upper story housing. Funding will also be available for “Transformative” projects that meet all eligibility requirements outlined in this document.

The DIF has been developed to provide resources to stimulate investment and economic development through projects that align with the greater DRI vision. This flexible funding mechanism enables property and business owners to make major renovations, restorations and improvements to existing retail, commercial and residential properties Downtown. It strives to increase quality, year-round occupied housing stock by creating or converting vacant or underutilized upper story space into new residential units, and to improve the appearance and vitality of Downtown through façade and signage improvements. Ultimately a population of people living Downtown will help foster the revitalization of Downtown through increased spending that will come from increased foot traffic and proximity to Downtown businesses.

All assistance provided by the DIF will be in the form of **reimbursable grants**.

### **Target Area**

All properties eligible for DIF funding must be located within the defined DRI area. The DRI boundaries are depicted on the cover page of this document and include Market Street to the south, Main Street and Dietz Street to the west, Walnut Street to the north and Maple Street and the James Lettis Highway to the east.

### **Project Accomplishments**

20 market-rate, year-round residential rental units renovated or created  
5 facades renovated  
20 signs designed and installed

## II. Administrative Structure

The DIF will be administered and overseen by:

- (a) The City of Oneonta is the lead administrator for the DRI Downtown Improvement Fund. The City Director of Community Development is responsible for overall program administration, and the City Finance Director is responsible for all program financial transactions.

- (b) The City’s contractor, Delaware Engineering, D.P.C., will administer the program. Delaware Engineering (DE) will be responsible for assisting the City with all program requirements, including grant administration and program delivery, developing Design Guidelines, environmental review, site contamination review, and review of proposed project designs for compliance with the Design Guidelines
- (c) Project Selection Committee – Will be responsible for merit review of all applications to the DIF and will make funding recommendations to HTFC.
- (d) HTFC – Will review project applications to ensure completeness and eligibility for funding.

### III. Marketing Plan

#### **Public Outreach**

To ensure the success of the DIF, the City and Delaware Engineering will conduct outreach to the public, in order to make property owners and business owners aware of the availability of financial assistance. Such outreach will include:

- Program informational materials that describe the funds available, program requirements, and eligible activities. These materials will be distributed to property and business owners in the DRI area and will be made available at City Hall and on the City’s website.
- Press releases and announcements that advertise the program via local newspapers, community organizations, and websites.
- Instructions on how to apply for assistance and required application forms will be available at City Hall, 258 Main Street, Oneonta, and on the City’s website, [www.oneonta.ny.us](http://www.oneonta.ny.us).
- At least one public informational meeting, held at a location within the City of Oneonta, to present information and answer questions.

#### **Instructions and Applications**

Instructions and Applications for the DIF will be available in hard-copy format at City Hall, 258 Main Street, Oneonta. Digital versions will be posted online on the City website. Materials will also be disbursed during public informational meetings.

### IV. Eligibility

The City of Oneonta will offer funding assistance to eligible projects that enhance and strengthen the Downtown Revitalization Initiative area.

#### **Eligible Applicants**

Eligible applicants include owners of commercial buildings and/or businesses within the target area. All applicants must be non-delinquent in City tax or utility payments to qualify for funding. The property to benefit from funding must be in compliance with building code or demonstrate in the application that the property will be in compliance with code by the end of the project.

Applicants who are eligible for DIF funds may be

- Individuals

- For-profit entities
- Organizations incorporated under the NYS Not-For-Profit Corporation Law

Tenants completing leasehold improvements must provide written consent for the proposed project from the property owner.

### Eligible Projects

*All project activities that are eligible for DIF assistance must be located within the DRI boundary and must conform with program Design Guidelines and all City of Oneonta guidelines and regulations.*

Program funds may be used for building improvements; applicants may request funding assistance for the following eligible activities:

- Signage: Design and purchase of signs that are context-sensitive to the overall façade and do not mask the architectural elements of the building. Signs may be exterior-lit and made of appropriate, durable materials.
- Building Improvements: Design and construction activities for building improvements, specifically **Façade Improvements** and the creation or restoration of market-rate, **Upper-Story Housing**. Eligible activities also include handicap accessibility improvements, and renovations to address energy efficiency and green-building measures in residential units. The City is also encouraging applications for “**Transformative**” projects.
- Soft Costs: Soft costs, such as project development costs, studies, environmental review, SHPO review, permits and approvals, are eligible project expenses and must be included in the project budget to be considered for program funds. Costs incurred for work on buildings that eventually prove infeasible and do not receive other investments will not be reimbursed with DIF funds. Therefore, reimbursements for soft costs may not be requested as part of a partial payment prior to project completion

*Eligible housing rehabilitation projects must meet the established need for market-rate downtown housing.*

Priority activities are listed in **Section (5), Project Selection & Selection Process**, below.

*All appropriate permits and approvals, site-specific environmental review, and SHPO review, as required for work on historic buildings, must be complete for eligible activities prior to the start of construction.*

### Ineligible Projects

Ineligible projects for funding by the DIF include but are not limited to:

- Interior-lit signs
- Free-standing signs
- Non-permanent fixtures, furnishings, appliances, electronics, tools, disposable supplies and business equipment
- New construction
- Property acquisition
- Demolition of an entire structure
- Site work or ancillary activities on a property including laterals, grading, parking lots, sidewalks, landscaping, fences, free-standing signs or general maintenance

- (h) Projects that are inconsistent with the objectives and priorities of the City of Oneonta’s DRI Strategic Investment Plan
- (i) Funds will not be used on municipally-owned or operated buildings.

## V. Financing Structure

### Program Funds Overview

The City will make grants available for eligible Building Improvement Projects (see above). Grant funds will be awarded based on how closely the project aligns with the goals of the DRI Strategic Investment Plan (available on the State’s website at [https://www.ny.gov/sites/ny.gov/files/atoms/files/Oneonta\\_DRI.pdf](https://www.ny.gov/sites/ny.gov/files/atoms/files/Oneonta_DRI.pdf)), funding needs, and the City’s underwriting criteria (see below). A Participant Grant Agreement will be executed between the City and the Recipient that includes the terms, period and conditions.

The Strategic Investment Plan lists DRI goals as follows:

**Goal: Foster Economic growth:**

- *Strategy:* Create jobs for a diverse population including high paying jobs for a skilled workforce
- *Strategy:* Create a unique destination that will support local healthy food, agribusiness, and other innovative businesses
- *Strategy:* Grow local property tax base

**Goal: Be a regional center of culture, heritage, and education:**

- *Strategy:* Create more opportunities for arts, culture, entertainment
- *Strategy:* Establish strong ties between the colleges and downtown
- *Strategy:* Become more widely recognized as a tourism destination in the region
- *Strategy:* Create a sense of identity that will appeal to both the current and next generations

**Goal: Provide a high quality physical environment:**

- *Strategy:* Create more housing options in downtown
- *Strategy:* Support local retail with small business assistance and improvements to retail spaces
- *Strategy:* Reclaim underutilized land along Market Street
- *Strategy:* Establish a cohesive downtown with a wide variety of high quality urban spaces and places for entertainment
- *Strategy:* Provide adequate infrastructure to support new development
- *Strategy:* Integrate sustainable practices in the downtown core

Grant funds will be available on a reimbursement basis, in the amounts shown below:

Project Cost	Grant Amount	Owner’s Equity
\$0 to \$20,000	up to 100%	0
\$20,001 to \$100,000	up to 75%	Minimum 20%
More than \$100,000	up to 50%	Minimum 20%

### Financing Assistance

For projects that require interim financing assistance, short-term loans may be offered as an advance for grant funds. Loan terms are 2% interest for the duration of the grant period. Loan payments will be due monthly.

Loan terms and conditions will be included in the Participant Loan Agreement. Applicants interested in a short-term loan may contact Judy Pangman, Director of Community Development, at (607) 432-0114, or by email at [jpangman@oneonta.ny.us](mailto:jpangman@oneonta.ny.us).

### Commitment Fee

At the time of award, applicants will be assessed a commitment fee of \$800 to cover costs of site contamination review and administration. The fee will be reimbursable with program funds based on the terms described above and in the Participant Grant Agreement if the project is successfully completed; if the project is not completed, the fee is non-refundable. For projects less than \$10,000 that involve minor exterior activities only without interior building rehabilitation, a Site Contamination Evaluation will not be completed, and the commitment fee will be waived.

### Underwriting Criteria for Financing

The City will ensure that applicants and activities that are eligible for the DIF meet the following underwriting criteria:

- Project costs are reasonable
- All sources of project financing are committed
- The project is financially feasible
- To the extent practicable, the return on the owner's equity investment will not be unreasonably high
- The project development team is experienced in this type of project
- The applicant's City of Oneonta taxes and fees (taxes, water, sewer, other) are current

To ensure that projects meet these underwriting criteria, the following items must be submitted for all applicants for Building Improvement Funds (façade improvements and upper-story housing)

- Proof of adequate insurance on the property, with the City listed as additional insured
- For Tenants completing leasehold improvements, written consent for the proposed project from the property owner

In addition, applicants must submit the following items:

- Sources and uses budget
- Five-year operating pro-forma with DRI funds
- Five-year operating pro-forma without DRI funds

### Regulatory Requirements and Repayment Provisions

- The applicant will agree to abide by the terms and conditions set forth in the DIF documents
- The applicant will comply with the program Conflict of Interest Policy
- The project will comply with applicable Lead Based Paint Policy regulations
- **All projects, upon completion, must fully comply with City of Oneonta Zoning Code. All applicants are advised to discuss their projects with the City's Code Enforcement Officer prior to completing the application.**

### Payment Process

The DIF program operates fully as a reimbursement program. Payment of program grant funds will be made only upon satisfactory completion of the items in the approved scope of work as determined by the City of Oneonta and Delaware Engineering. Reimbursement of paid invoices will be made by check payable to the grantee.

Short-term loan payments, if awarded, will be made on a cost-incurred basis and paid by a two-party check payable to the grantee and the vendor.

The City of Oneonta Director of Community Development will review and approve draw requests prior to submission to the State. A maximum of two (2) draw requests will be processed per recipient at project milestones developed in consultation with the City. Payments of program funds will be made to grantees or vendors after the City submits the draw requests to and receives funds from the State.

To substantiate work costs, grantees must provide written contracts, bank documents, copies of invoices for materials and labor, cancelled checks, lien releases, and any other documents deemed necessary by the City to maintain effective internal controls. Cash payments will not be reimbursed.

The City and Delaware Engineering will complete a final inspection of the work prior to paying the final reimbursement to the grantee. Completed work must comply with program and City design guidelines, and all applicable building codes and standards.

## VI. Application Review and Selection

DIF applications and instructions will be available at City Hall and on the City's website. The applications outline program requirements and selection priorities and request all information necessary to fully review each project for eligibility. Applications will be accepted on a quarterly basis while DIF funds are available.

Applications deemed complete will be submitted to the PSC for review, selection and determination of grant/loan amounts. For incomplete applications, applicants will be notified of application deficiencies and will have the opportunity to address them, within ten (10) business days of notification.

### Project Selection Committee (PSC)

The PSC will consist of members of the local community with relevant experience with small businesses, downtown development, and historic structures. It shall be composed of five (5) members and shall exist and operate until the DIF funds are extinguished. The members shall be Kim Muller, Chair; Alan Cleinman; Rachel Jessup; Joan Fox; Tom Wise; and Sandra Eighmey.

The PSC will review complete applications for eligibility and will rank them for priority items and feasibility based on the criteria listed below; upon selection by the PSC, the application & supporting documentation will be submitted to HTFC for review and approval.

### Project Selection and Review Criteria

Priority will be given to projects that:

- Address the goals in the DRI Strategic Investment Plan
- Create high-quality Downtown residential rental units in upper stories of mixed-use buildings – *\*\* Units created need to be of superior quality, design and functionality. The goal of the program is to create safe, high-quality units with ample space and accommodations; these units are to be permanent and occupied year-round.\*\**
- Develop currently unused upper story space for housing that meets the established need for market-rate downtown housing
- Bring existing properties that are clearly inconsistent with DRI Design Guidelines into compliance
- Create blade and awning signage that complies with DRI Design Guidelines
- Improve building facades and awnings to comply with DRI Design Guidelines
- Address buildings that have historic value or historic properties in danger of being lost in part or in total to disrepair or damage

- With the assistance of grant funds, reduce blight, contribute to the economic recovery of the DRI area, or realize a stabilization or expansion of a Downtown business
- Leverage the maximum amount of private investment
- Demonstrate the overall feasibility and readiness of the project

***DRI Design Guidelines will be part of the application packets.***

### Funding Determination

The City will advise applicants on the disposition of an application within 30 business days of approval from HTFC. The City will mail a letter to the applicant that awards or declines the funding request, includes the grant amount (and short-term loan amount, if applicable) and terms, and provides the applicant 30 days to execute the Participant Grant Agreement (see below) with the City.

### Participant Grant Agreement

The grantee will enter into a Participant Grant Agreement with the City of Oneonta that includes program requirements, funding amounts and terms, and the contract period. The agreement will outline the roles and responsibilities for both the City and the grantee and will specify the following:

- Agreed upon scope of work
- Projected amount of financial assistance awarded
- Estimated project timeline
- Regulatory term or repayment provisions
- Requirement to sign a photo release form permitting the City and HTFC to use photographs of the assisted business or property
- Requirement to engage a contractor and begin activities within 30 days of formal approval by the City of Oneonta
- Payments structure and timing
- The City of Oneonta has the right to inspect work at any time
- The City of Oneonta may terminate the award and cancel the contract should the work or purchases be inconsistent with the program rules outlines, agreed upon scope of work or project design, stated timeline or if insurance is not maintained by the participating contractor

## VII. Project Development

### Environmental Review

Prior to the commitment or expenditure of program funds, the environmental effects of each activity will be assessed, and documentation submitted to the State. No work can begin until the State approves the Environmental Review.

### Work Write-Up/Scope of Work

Once a project application has been formally selected for DRI Downtown Improvement Fund assistance, Delaware Engineering will meet with the property owner to develop the formal project scope of work and explain program requirements related to design, environmental hazards, and energy efficiency.

A formal written scope of work or description of the use of funds is required. The scope of work for a participating renovation project MUST address the following items:

- Immediate health and safety concerns

- The correction of existing code violations
- Environmental hazards
- Installation of energy conservation measures
- Accessibility for persons with disabilities
- Consistency with program Design Guidelines, and any other local program design guidelines
- Preservation of historical elements of the building

Both the City and the property owner will sign off on the formal scope of work.

### Contractor Selection and Procurement

The City of Oneonta and Delaware Engineering will establish a list of contractors to perform work in compliance with acceptable standards. The City will use this list to solicit bids or quotes for the project activities. Additional contractors can be added to the list at any time. All contractors must supply references and proof of property insurance.

A minimum of two (2) bids or proposals must be obtained for all renovation, administration or professional service activities. The City and DE will review these to establish the reasonableness of project costs. The written scope of work (see above) must be the basis for the bids. All bidders must have equal access to relevant information, including information on the property itself. The bids must be submitted directly to the City or DE by the contractor. The City will advise the property owner of the acceptability of the bids/proposed cost. If the property owner chooses other than the lowest bidder reimbursement will be based on the amount of the lowest bid.

## VIII. Construction Management/Quality Control

The City retains the right to inspect or audit work in progress at any point. The City will perform periodic inspections of renovation activities to monitor adherence with program rules, environmental hazard compliance, and general project progress. A final inspection or review of project activities will be conducted for each participating project.