



Downtown Schenectady Main Street Improvement Program

Program Guidelines As of March 2009

Program Overview

Utilizing \$200,000 in funding from the New York State Department of Housing and Community Renewal (DHCR), the Downtown Schenectady Improvement Corporation, as the LPA and hereafter referred to as the DSIC, has established a matching grant program to assist and property owners within the approved target area on State Street between Erie Boulevard and Washington Avenue, and South Ferry Street between Erie Boulevard and State Street in renovating vacant first floor commercial and upper floor residential spaces. Grant awards will range from \$10,000 up to a maximum of \$25,000 per unit, with a maximum of \$50,000 per building for residential projects. The Downtown Schenectady Main Street Grant program builds upon the successful Downtown Schenectady Façade Improvement Program currently being implemented by the DSIC, in close partnership with the Schenectady Metroplex Development Authority, the City and the County. As you will see from the following program guidelines, the administration and management of the Main Street program will be structured so as to dovetail with the existing façade grant program.

1. Project Development

1. a. Marketing the Program

The DSIC will contact each property owner within the Main Street target area by mail to make him or her aware of the potential availability of financial assistance under New York Main Street. A public notice will be published in the Schenectady Daily Gazette and a press release promoting the program will be distributed. An informational flyer will be developed and distributed through Main Street businesses and the offices of the City of Schenectady Department of Economic Development, and the DSIC. A public informational meeting will be held at the offices of the DSIC to present information and answer questions. Instructions on how to apply for assistance and required forms will be available at City Hall and the offices of the DSIC. The information provided would include an application deadline, with a notice that the DSIC plans to make all awards within sixty days of deadline.

1. b. Project Selection

The Façade/Main Street Program committee of the DSIC will select projects that have a historic value, are visually prominent on Main Street, and will, with the assistance of grant funds realize a stabilization or expansion of a Main Street businesses and/or the creation of renovated residential apartment.

Priority will also be afforded to:

1. Buildings where immediate action will stop deterioration of a significant building exterior or interior.
2. Historic properties in danger of being lost, in part or in total, to disrepair.
3. Vacant properties where façade improvement would reduce blight.
4. Projects, which can demonstrate the financial capacity and ability to move forward. Demonstration of financial capacity may include the participant's successful approval of a façade program grant, and/or Metroplex, City, or Bank Financing.
5. Projects that will result in filling vacant storefronts with new businesses

Applications will be considered in the order received by DSIC. Applicants will be notified within thirty days of the submission of a completed application as to the disposition of the application. Only applications received by the deadline will be reviewed for funding.

2. Project Development

2. a. Work Write-up / Scope of Work

If the Façade/Main Street Program Committee determines an initial application to be feasible, DSIC staff, in consultation with the committee, will meet with the property owner on-site to develop a Scope of Work that will detail all work to be undertaken with the grant, and will be required to be incorporated into the contract proposals. DSIC staff will help facilitate a scope of work to be approved by the Façade/Main Street Program Committee. Once the Scope of Work is approved, the committee will prepare an initial estimate of costs.

The property owner will be responsible for paying all agreed upon repairs, but DSIC will reimburse the property owner for half the eligible cost for each activity; reimbursements will not exceed \$10,000 per façade and/or \$50,000 per building renovation. (For Downtown Anchor Grants, property owners may be reimbursed for up to 25% of eligible costs; reimbursement will not exceed \$100,000 on such projects.) Payment will only be

made upon satisfactory completion of all work. Satisfactory completion will be determined by DSIC. DSCI may assist owners in obtaining interim financing.

The priorities for the scope of work will include: (1) addressing immediate health and safety concerns, (2) the correction of Code violations, (3) consistency with DSIC Main Street/ Facade program design standards, (4) addressing any lead based paint hazards that may exist in buildings that contain residential units, (5) installation of energy conservation measures, (6) consistency with any other local program design guidelines, and (7) preservation of historical elements of the building. DSIC will explain the requirements related to lead-based paint hazards, energy efficiency, historic design standards or any other work scope issues with the property owner. DSIC will be responsible for coordinating work write-ups with local code officials, the Sate Historic Preservation Office and other regulators. If needed, additional experts may be consulted. DSIC and the property owner will sign-off on a scope of work before the owner is authorized to seek bids for the work.

2. b. Contractor Selection

Once the committee approves a scope of work, the property owner will be responsible for making a good faith effort to obtain at least three qualified contract proposals. A minimum of two bids will be required. Contractors must be able to provide required insurance and perform work in compliance with applicable standards. DSIC will establish a list of contractors that meet these requirements; DSIC will make that list available to owners. If the property owner would like to use a contractor not on the list, references and proof of proper insurance must be supplied to DSIC. DSCI will ensure that Women and Minority owned Business Enterprises are represented on contractor lists. The quotes will be received by DSIC. DSIC will advise property owner of acceptability of bids/proposals cost. If the property owner chooses other than the lowest bidder, re-imbusement will be based in the amount of the lowest bid.

The original contract proposals will be received by the DSIC. A minimum of two proposals will be required. The DSIC will advise the property-owner of the lowest responsible contract proposal submitted based upon the approved scope of work. If the property owner chooses a proposal other than the lowest, reimbursement will be based on the amount of the lowest responsible contract proposal.

2. c. Contracting Procedures

The DSIC, based on the selected contract proposal, consistent with state regulations, will enter into a grant agreement with the property owner to provide the agreed financial assistance, subject to the property owner concurrently entering into a contract based on the agreed scope of work and the work beginning within 30 days of DSIC approval.

The grant agreement between the DSIC and the property owner will specify the timing of payments and policy on retainage, the method of verifying that matching requirements have been met, and the right of the DSIC to inspect work at anytime.

The grant agreement between DSIC and the property owner will specify that payments will be made after all work is complete. In additions, it will provide that DSIC has the right to inspect work at any time and cancel the contract should the work being done be inconsistent with the standards mentioned in the preceding sections or if problems with the workmanship arise or if insurance is not maintained by the contractor.

3. Construction Management / Quality Control

3. a. Design Standards

All work done under the Downtown Schenectady Main Street Improvement Program will be consistent with Design Guidelines established for the Façade Program, which will be renamed the Façade Program and Main Street Program Design Standards. These standards will be consistent with the requirement of the State Historic Preservation Office, the New York State Housing Trust Fund Corporation, and other relevant regulating agencies. The DSIC will enforce the standards throughout the construction process.

3. b. Inspections

The DSIC retains the right to inspect work in progress at any point. Before a final payment can be made, a final inspection will be required. The DSIC Program Coordinator, the City Code enforcement officer, and the property owner will all verify that the work was completed properly and is consistent with the contracted scope of work.

4. Financial Management

4. a. Staff

The DSIC's Executive Director, in consultation with the Corporation's Legal Counsel will be responsible for all financial transactions under SMSIP. A fidelity bond as required by the NYS Main Street Program will cover the Executive Director.

4. b. Interim / Construction Financing

The Downtown Schenectady Main Street Improvement Program is a re-imbusement program. Program participants will be responsible for obtaining construction / interim financing for their project. The DSIC will work with applicants to assist them in applying for additional funding; including, façade program grants and/or Metroplex, City, and bank financing but property owners are free to make their own arrangements. As stated previously, priority in selecting projects will be given to applicants that can demonstrate the financial ability to move forward and successfully complete their project.

4. c. Matching Fund Requirements

All projects funded with the Main Street Program funds grants require a dollar for dollar match. In each case, the Downtown Schenectady Main Street Improvement Program

requires that at least half of the matching amount come from the property owner. Documentation of matching funds must be supplied with each request for reimbursement, or prior to that time. Typically, if a participating owner claims a certain amount of improvements have been made to his or her property and paid by him or her, and the DSIC is satisfied this is true (based on both documentation and inspection), a reimbursement of half that amount may be paid.

5. Ongoing Maintenance

5. a. Obligations

Property owners will be required to maintain the property assisted with Downtown Schenectady Main Street Improvement Program funds for a period of seven years after final payment is made. This requires that any residential units assisted by Downtown Schenectady Main Street Improvement Program funds remain affordable for the enforcement period. When they become available, be marketed and affordable to low income households for the enforcement period and that any commercial or civic units be maintained in a manner that is consistent with goals of the Downtown Schenectady Main Street Improvement Program for the enforcement period. DSIC will require each property owner receiving NYMS fund to file a "Declaration" in a form approved by HTFC, with the clerk of the county in which the project is located. In the "Declaration" the property owner will declare that he/she has received assistance from NYMS and will maintain the property in a manner consistent with the program objectives for a minimum of seven years. In the event of non-compliance or resale, the amount of grant funds will be subject to repayment in accordance with a simple annual declining balance, based on the seven-year enforcement period.

5. b. Responsible Parties

The DSIC will monitor projects assisted under the Downtown Schenectady Main Street Improvement Program for the duration of the seven-year enforcement period. The DSIC will periodically inspect assisted property, and will conduct any inspections directed by the Housing Trust Fund Corporation.