

CURB APPEAL PROGRAM

A. PROGRAM GOAL

The goal of the Curb Appeal Program is to create attractive neighborhoods by encouraging private investment. The Program will improve the visual quality of properties in target areas, and encourage conformity of appearance and architecture within the immediate neighborhood. The Curb Appeal Program is funded by the Community Development Block Grant Program and is subject to all of the Community Development Program rules.

B. ELIGIBILITY CRITERIA

1. The property to be improved may be a commercial property, residential property, or mixed use owned by the applicant.
2. Residential units must meet the Department of Housing and Urban Development's Housing Quality Standards.
3. The applicant must not owe outstanding property taxes to the City of Auburn and have no outstanding code violations.
4. Property must be in the Downtown, New Auburn or Union Street target areas.

C. ASSISTANCE CATEGORIES AND TERMS

1. Grant
 - a. Maximum grant is \$10,000 per property.
 - b. Only one grant will be awarded per property.
 - c. The applicant shall provide a private match. Match funds may be cash or a loan. The match shall be the higher of
 - 1) amount equal to the grant; or
 - 2) amount necessary to complete the project.
2. Direct Loan
 - a. A direct loan is an installment loan from the City with monthly payments.
 - b. Maximum loan amount is \$10,000 per property.
 - c. A loan will be available if the applicant's project costs exceed the maximum grant and required match.

- d. Loan term shall be established by Community Development staff with approval of the Curb Appeal Committee based on financial capacity of the applicant. The maximum loan term is 15 years.
- e. The interest rate is two (2%) percent.

D. PRIORITIES

It is anticipated that there will be more demand than available funds. Funding will be provided to applications receiving the overall highest scores until funds are exhausted. The City will issue a Request for Proposals. Applications will be scored on how well the proposed project meets the following program criteria:

- 1. Degree of visual improvement the proposed project will bring to the streetscape and greatest impact on target area.
- 2. Design compatibility with neighborhood.
- 3. Visual prominence of the building and its location. Buildings with frontage on the following streets will be considered a higher priority:
 - a. Broad Street
 - b. Mill Street
 - c. Main Street
 - d. Elm Street
 - e. Court Street
 - f. High Street
 - g. Hampshire Street
 - i. Goff Street
 - j. Turner Street
 - k. Minot Avenue
- 4. Private investment greater than 50% of the project budget.
- 5. Proximity to other buildings that have been improved.

E. SUBMISSION REQUIREMENTS

- 1. Description of the project;
- 2. Explanation of the improvements you want to restore, rehabilitate, modify or replace through this project;
- 3. Close up photographs of the property in its current condition;
- 4. Description of private investment sources that will be used to match public

dollars (example list of cash on hand or bank loan.

F. OTHER REQUIREMENTS

Improvements undertaken with this loan must comply with

1. lead-based paint regulations;
2. local codes; and
3. Housing Quality Standards, if residential.

G. PRIORITY REPAIRS

1. The goal of the program is neighborhood beautification. Improvements under this program must address the influences that contribute to blight in the neighborhood.
2. Blight is defined as the characteristics of the built and natural environment that have deteriorated to the point that they constitute a threat to public health, safety, and welfare; contribute to the physical and economic deterioration of neighborhoods, or result in the degradation of the quality of life in the City of Auburn. For residential structures, buildings that do not meet the Department of Housing and Urban Development's Housing Quality Standards are considered blighted.
3. The Rehabilitation Coordinator will be responsible to document blighting influences by assessing the physical condition and visual impact of the exterior building elements and recording observable deficiencies.
4. In order to assure that the proposed improvements produce a positive impact, severe conditions will be remedied first. If funds remain after severe conditions are remedied, then other conditions may be addressed.
5. Eligible activities include:
 - a. architectural services;
 - b. prime and paint exterior surfaces;
 - c. repair or replacement of exterior surfaces including siding, porches, steps, railings, decking, fire escapes, window and door trim, soffits and eaves, and gutters;
 - d. roofs;
 - e. lighting;
 - f. foundation repair;
 - g. re-pointing or reconstruction of walls and chimneys;
 - h. replacement of windows and doors; and
 - i. repair to garages, barns, and accessory buildings.
 - j. Repairs to assure the building meets Housing Quality Standards.

H. APPROVAL PROCESS

1. COMMUNITY DEVELOPMENT STAFF

The Community Development Department has responsibility for administration of the Curb Appeal Program. Community Development will also perform loan underwriting, and present requests to the Curb Appeal Committee.

2. PRIVATE FUNDS

When matching funds are required, the applicant will have the option of using cash or borrowed funds. Match funds will be deposited into a segregated City account and will be subject to disbursement of funds procedures defined in this guideline.

3. CURB APPEAL COMMITTEE

- a. Grants and loans will be approved by a seven member committee. The committee shall be composed of three members of the Community Development Loan Committee, two Auburn residents with relevant experience in building design/architecture or real estate/development, the City Manager and Director of Economic Development.
- b. The Committee will review all applications and rank them prior to making awards. The Committee will determine the terms of the grant and loan, if any, and may place conditions on the grant/loan award including the requirement that improvements be designed by a qualified design professional.
- c. In evaluating loan requests, the Committee shall be guided by the following considerations:
 - i. Cash flow -- ability to repay the debt;
 - ii. Credit – good credit history and reputation;
 - iii. Payment of taxes or acceptable arrangements;
 - iv. Collateral – collateral coverage must be adequate as determined by the Committee
 - v. Security – other assets;
- d. Loan Appeal Procedure: The reason(s) for rejection shall be given to the applicant. Denials may be appealed to the Curb Appeal Committee for a period of thirty days after the date of rejection. The applicant will be allowed to present his/her case to the Committee. The Committee may reconsider their prior vote to deny the application after the appeal review has been completed.
- e. Waiver of Loan Amount and Term: The City Council may authorize a different interest rate, repayment term or loan amount than what is specified in this program guideline.

I. REHAB PROGRAM ADMINISTRATION

1. NON-DISCRIMINATION

Administration of this program shall be in accordance with Title VI of the Civil Rights Act of 1964. No person shall, on the ground of race, color, national origin, be excluded from participation in, be denied the benefits of, or subjected to discrimination under this program.

2. PARTICIPATION BY RELIGIOUS ORGANIZATIONS

- a. Religious organizations can apply for Rehabilitation Loans with the understanding that loan funds cannot be used to support inherently religious activities such as worship, religious instruction, or proselytizing. The organization can engage in such activities, but they must be offered in a different location. Religious participation by tenants must be voluntary.
- b. The organization must not discriminate against a tenant or prospective tenant on the basis of religious belief or refusal to participate in a religious practice.

3. DEFINITIONS

- a. Rehabilitation Costs -- The total of contractor estimates from the lowest eligible contractors, self-help expenses, and the contingency determined to be reasonable by the Rehab Coordinator.
- b. Target Areas – A designated neighborhood area defined by the Community Development Office for concentrated use of Community Development Block Grant Funds under the slums/blight eligibility determination. The Curb Appeal Program will be restricted to Downtown, New Auburn and Union Street Target Areas.

4. APPLICATION PROCEDURES

- a. Requests for Proposals – Requests for Proposals will be available in the Community Development office. Community Development Department (CDD) staff will publish a notice in the local newspaper and on the City's web site.
- b. CDD Responsibilities – Once a project has been selected, the CDD will prepare specifications, prepare loan documents, and act as a project manager including authorizing progress payments.
- c. Inspection Report and Specifications – An inspection report shall be prepared by the Rehab Coordinator and sent to the applicant. The inspection report shall identify the scope of work. Once the owner has reviewed the inspection report and approves the scope of work, the Rehab Coordinator will create specifications for contractor bidding.

- d. Lead – The CDD must consider whether the rehabilitation calls for lead hazard control measures.

1. A risk assessment will identify whether lead hazards exist and what type of methods must be used to control them or the CDD may presume surfaces are covered by lead-based paint. It will be necessary to perform clearance testing of the construction area to confirm the absence of lead hazards after the work is completed. All testing costs will be paid by the CDD.

2. Priorities

The order of priority for repairs will be determined by the risk assessment report according to the following criteria:

- a) Surfaces that are found to contain lead-based paint levels greater than 9.9 mg/cm² and are in poor and fair condition.
- b) When a component that contains lead-based paint is being repaired because it is in poor or fair condition, the entire surface area may be included in the scope of work.

- e. Construction Bids

1. The applicant may choose one of two options for obtaining construction bids.

a. Applicants may secure their own bids from contractors of their preference without the assistance of the Community Development Department. Three bids will be required.

b. Applicants may request that the Rehab Coordinator secure bids on their behalf. The Rehab Coordinator will notify all contractors on Auburn's Contractor List of the project, hold a pre-bid meeting on site, and accept bids on behalf of the applicant at a specified time and place.

2. Contractors may be selected from a list of eligible contractors as maintained by the City of Auburn CDD or contractors must be able to meet the Community Development Department's eligibility standards. No contractor may be selected who has been designated ineligible by the CDD.

3. The applicant is not bound to contract with the lowest qualified bidder, but in the event of choosing the higher bid the applicant must provide private funding for the difference in cost. All loan amounts will be calculated based on the lowest estimate.

4. Each contractor will give a proposal on the CDD specification/bid form. The contractor must, if requested, provide a cost breakdown on each portion of the

work he is bidding. The contractor must sign the proposal sheet. The CDD may require that information pertinent to materials be submitted for approval.

f. Contractor Eligibility Standards

1. Insurance -- The contractor and subcontractors shall carry Worker's Compensation Insurance for all their employees in accordance with the Worker's Compensation laws of the State of Maine. The contractor and subcontractors shall carry Manufacturer's and Contractor's Public Liability Insurance with a limit of \$300,000 for personal injury or death and \$100,000 for property damage. The CDD may require bonding for contracts in excess of \$100,000. The CDD will require evidence of insurance prior to signing a construction contract.
2. License and Qualifications – The contractor shall have in effect a license if required by the City of Auburn, or State of Maine. The contractor must have obtain a Department of Environmental Protection approved-Repair, Renovate or Paint certification, if pertinent to the work being performed.
3. Credit – The City may require a list of credit references, names of suppliers, name of bank where contractor does business, and names and addresses of recent home improvement customers.
4. Skill and Equipment – No approval of a contract shall be given unless the construction contractor can satisfactorily demonstrate that he/she and/or their subcontractor(s) have the necessary skills and equipment to perform the work in an efficient and expedient manner.

g. Ineligible Contractors – Where a contractor fails to comply with the eligibility standards set forth above, or commits one or more of the following violations, the CDD shall remove the contractor from the list of eligible contractors and shall designate the contractor to be ineligible. The applicant will not award any rehabilitation work, other services, materials, equipment, or supplies to be paid for, in whole or in part, with the proceeds of the loan to any contractor or subcontractor whom the CDD has designated as ineligible. The CDD shall designate a contractor to be ineligible if it finds that the contractor has:

1. Committed one or more material violations of its obligations under a rehabilitation contract and has failed to cure all such violations promptly after 10 days written notice by the applicant or the CDD.
2. Engaged in a pattern of delayed performance or failed to complete the work under a rehabilitation contract, and has received written notice of such delay.
3. Failed to communicate in a courteous, prompt and professional manner, and such failure continued after written notice by the applicant or the CDD.
4. Committed fraud and other illegal acts against the applicant or the City of Auburn, including but not limited to kickbacks and collusion.

5. Failed to pay subcontractors or suppliers on a timely basis, allowed a lien to be placed on the applicant's property, or otherwise failed to maintain good credit, and such failure continued after written notice by the applicant or the CDD.
6. Threatened, intimidated, or harassed the applicant or City staff.

Once the CDD has designated a contractor to be ineligible, the Contractor shall remain ineligible for a minimum of two years, and shall remain ineligible thereafter until the CDD determines, in its sole discretion, that the contractor has taken all necessary steps to ensure that no further violations will occur, provided that in the case of violations of Sections 9 (d) or 9(f) above the Contractor shall remain permanently ineligible.

h. Labor Performed by the Owner – A property owner may complete some or all of the tasks required to rehabilitate his/her property if he/she has the degree of skill required to perform the work involved. Self-help is usually appropriate for the accomplishment of tasks of an unskilled nature such as general cleanup, demolition, cartage and disposal of debris, and for work that involves minimal use of costly materials and equipment.

1. Materials and Workmanship – The CDD will require information regarding the cost of materials for any self-help work prior to approval of the loan. The CDD may require evidence of workmanship on previous projects before accepting the owner's intention to do his/her own work. The amount of the loan may include funds to pay for the materials and rental of equipment to be installed by self-help.
 2. Schedule -- The Rehab Coordinator and owner will establish a schedule of work items and projected completion date prior to loan closing.
 3. Qualification -- The owner must have completed a Department of Environmental Protection Renovate, Repair and Paint course, if pertinent to the work being performed.
- i. Private Lender's Loan – Interest rates and terms of the portion of the rehabilitation work to be funded by the private lender shall be individually negotiated between the loan applicant and the respective lending institution. The private lender's funds are subject to the same contractor and self-help requirements as the City's loan.
- j. Curb Appeal Committee – The application is presented to the Curb Appeal Committee who is responsible for awarding grants and loans.
- k. Loan Closing – A grant/ loan closing shall be completed prior to contractors starting work and shall include, but not be limited to a mortgage instrument to be recorded at the Androscoggin Registry of Deeds, and a promissory note in the full amount of the City's loan.

- l. Assumability – Loans are generally unassumable
- m. Cancellation – A loan/grant approval shall be valid for 3 months. If there has been no loan closing or commencement of work, it will be necessary for such a loan to be reconsidered by the Community Development Loan Committee.
- n. Construction Contract – The owner and contractor will sign a contract signed at the time of loan closing which is acceptable to the CDD. Assurance will be required of the contractor and owner that the rehabilitation work will be carried out efficiently and within a reasonable period of time. The contractor shall secure all necessary permits prior to the start of work at his/her own expense. The contractor shall contact the Rehab Coordinator for approval of each phase of the work. No change to the rehabilitation contract work shall be allowed unless approved by the CDD, owner, and contractor. Any changes involving cost will be supported through the execution of a change order between the contractor and owner.
- o. Inspection – The CDD shall have the right to inspect all rehabilitation work financed in whole or in part with the proceeds of the loan. The CDD will inform the owner and/or contractor of any noncompliance with respect to the rehabilitation work and the corrective action needed. The CDD will verify that all work has been done according to the specifications. No payment shall be made until the work is acceptable. The owner will take all steps necessary to assure that the CDD is permitted to examine and inspect the rehabilitation work.
- p. Records – The applicant agrees to keep such records as may be required by the CDD with respect to the rehabilitation work financed in whole or in by the loan and, furthermore, when the rehabilitated property contains rental units, the applicant agrees to keep such records as may be needed by the CDD with respect to income received and expenses incurred from this property. The applicant will, at any time during normal business hours, and as often as the CDD may deem necessary, permit the CDD to have full and free access to its records with respect to the property.
- q. Escrowing of funds – The CDD will act as escrow agent for the City loan/grant, as well as any supplemental funds required to meet the amount of the construction contracts. The owner permit the CDD to disburse such funds to the owner and/or the contractor in the manner set forth in the contract between applicant and contractor. The CDD may require lien waivers as a condition of payment.
- r. Disbursement of Funds – After receiving appropriate invoices receipt of lien waivers for invoices over \$5,000, and inspecting the rehabilitation work, progress payments shall be authorized by the CDD. Unutilized funds may be applied to reduce the principal of the City and private funds to maintain the private participation level, or may be used to complete additional work as approved by the CDD.