



CITY OF HASTINGS

DOWNTOWN DEVELOPMENT AUTHORITY

BUILDING EXTERIOR IMPROVEMENT  
PROGRAM

LOAN APPLICATION PACKET

## 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 improve the exteriors of their buildings.

- Please note that this program is available for **commercial** buildings within the DDA District only.
- A \$100 non-refundable application fee must accompany the signed application form. Please make check payable to: City of Hastings

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

*John J. Hart*  
*Community Development Director*  
*City of Hastings*  
*201 East State Street*  
*Hastings, Michigan 49058*  
*(269) 945-2468*  
*(269) 948-9544 fax*  
*jhart@hastingsmi.org*

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

City of Hasting DDA/USDA Revolving Loan Fund

Partial funded through a grant provided by the United States Department of  
Agriculture

Loans administered and serviced by:  
Commercial Bank

## **APPLICATION PROCESS**

1. Applicant must submit an application, complete application supporting documents, and a \$100 application fee to the City of Hastings Community Development Department at 201 East State Street, Hastings, Michigan 49058.
2. Detailed design and/or architectural sketches 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 should be received for committee review two weeks prior to the DDA's monthly meeting (3<sup>rd</sup> 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.
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, 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.
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.
- 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.

### Eligible Program Uses

- Repair or replacement of windows, doors, walls, or other appropriate architectural elements.
- Exterior painting
- Awnings
- Roofs
- Exterior Lighting
- Masonry repair or cleaning
- Conversion to retail or entertainment storefront
- Restoration of vintage elements:
  - ✓ Removal of historically unsuitable “modern” facade treatments
  - ✓ Removal/replacement of historically unsuitable signs and/or lighting (new signs/lights must be compatible with existing architecture)

- ✓ Repair or restoration of original brick and woodwork
- Materials and labor for work performed in association with above-mentioned improvements.

**Note:** All work performed in association with a facade improvement grant application 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.

### **Ineligible Program Uses**

- Refinancing of existing debt/return of owner's capital
- Expenses incurred prior to review and approval of project by the DDA
- Property Acquisition
- 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 mortgage on the subject property and/or personal guarantee will be required as security, at the Loan Review Committee's discretion.
- 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.

### **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. The loan will be called due and payable if conditions of the loan agreement are violated, or in the event that the applicant sells the business or moves the business outside of the DDA District.
- A check to the loan recipient for 50% of the loan amount will be disbursed at 50% project completion. The remaining 50% of the total loan amount will be disbursed at project completion.

### **Loan Servicing**

- ✓ All loans will be serviced by Commercial Bank.

### **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 120 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:	
LOAN: <i>Amount Needed (\$)</i>	

PROJECT DESCRIPTION: Please describe in detail the proposed work on your building. Please include a detailed project budget. Attach architectural sketches or use separate sheet(s) if necessary.	
Anticipated Construction	Estimated

Start Date:	Completion Date:
Anticipated Total Project Cost:	

**APPLICATION SUPPORTING DOCUMENTS CHECKLIST**

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

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: \_\_\_\_\_