

**City of Erie, PA**

*Department of Economic and Community Development*

FAÇADE IMPROVEMENT GRANT

GUIDELINES & PRE-APPLICATION

Established 2019

CITY OF ERIE FAÇADE IMPROVEMENT GRANT GUIDELINES

This Façade Grant was created to provide financial assistance for projects that improve the exterior of deteriorating buildings to be used by City of Erie businesses. The source of funds is the U.S. Department of Housing and Urban Development’s Community Development Block Grant (CDBG). The City’s Department of Economic & Community Development (DECD) will oversee the coordination and administration of grant projects.

The City anticipates a highly competitive process due to demand and limited funding. Individual grant awards will range from a minimum request of $20,000 and a maximum request of $50,000. The applicant must provide at least a 1:1 cash match from non-federal sources to be specifically used for the project. (Example: A City grant request of $20,000 requires a minimum non-federal match of $20,000 for a total project cost of $40,000.)

**GRANT GOALS & OBJECTIVES**

The primary goal of this grant is to further the City of Erie’s Vision. We embrace our: Diverse cultures; Welcoming, vibrant neighborhoods; World-class downtown and bayfront; Schools of excellence; and Abundance of family-sustaining jobs. Proposed projects must align with the City’s [current Consolidated Five-Year Action Plan](https://ecode360.com/documents/pub/ER3969/Comprehensive_Plans/) and Comprehensive Plan ([Erie Refocused](https://www.eriepa.com/uploads/Erie-Refocused-2016.pdf)).

Objectives of this grant include:

* To aid in the prevention or elimination of blight on a spot basis, with priority given to projects that will improve the exterior of deteriorating buildings that have a negative impact on the community;
* To encourage the establishment, growth, and retention of businesses;
* To create or retain employment opportunities; and
* To encourage business investments and commercial building improvements in the City of Erie.

**ELIGIBLITY CRITERIA**

The façade improvements must include activities that reduce or eliminate specific conditions of blight or physical decay. Grant funds may only be used for the street-facing portion of the exterior of the property. Projects may also include corrections for certain City Code Violations and Americans with Disabilities Act (ADA) accessibility. The property must meet all of the following conditions:

* Be a publically or privately owned commercial or industrial building located within the City of Erie municipal boundaries; *and*
* Contain at least one business or commercial operation registered to conduct business in the Commonwealth of Pennsylvania; *and*
* Demonstrate specific exterior (façade-related) conditions of deterioration, including those detrimental to public health and safety.

**INELIGIBLE PROJECTS & PROPERTIES**

* Property not physically located in the City of Erie
* Residential or rental buildings *unless* connected to a mixed-use building (in most cases, home-based businesses or any project that would displace residential renters will not be considered)
* Government entities and authorities acting as the property owner, applicant, or beneficiary
* Franchise owners or membership-based organizations and/or associations that DO NOT have a business-related mission or vision
* Owners that intend to sell the property within five years of project completion
* Companies on federal or state debarment lists
* Companies with delinquent taxes, fines, or outstanding violations with the City
* Properties that will not correct all code violations by the completion of the façade grant project
* Properties that do not meet Environmental Review thresholds
* Owners/applicants who may have a conflict of interest in receiving grants from the City
* Companies that have already received City CDBG-funded grant assistance in the last 5 years

**ELIGIBLE USE OF FUNDS[[1]](#footnote-1)**

Projects must be completed within one (1) year of the City’s official award notification unless otherwise approved. Requested costs must be reasonable, and the City reserves the right to review proposed estimates, quotes, and other financial information directly related to the grant project. In general, all improvements must be on the exterior of the building and include façade areas that are visible to the public within the project.

In general, the following types of improvements will typically be eligible or ineligible:

ELIGIBLE PROPERTY IMPROVEMENTS

* Refinishing, masonry, repointing, painting
* Windows, doors, and public entryways (repair/replace/reconfigure)
* Renovation of existing exterior features integral to the building
* ADA/safety features associated with the exterior of the building (ex: public entryways)
* City building code corrections
* Awnings, lighting, and permanent exterior signage integrated with the building
* Gutters/downspouts

INELIGIBLE PROPERTY IMPROVEMENTS

* New construction or acquisition
* Interior renovations
* Roofing not visible from the street
* Security systems
* Routine maintenance or general operations (ex: cleaning)
* Portable or temporary improvements (ex: annual plants)
* Items not integral to the building (ex: trash cans, bike racks, benches, lightposts, landscaping, fencing, billboards, parking lots, sidewalks)

**APplication Process**

The City of Erie Department of Economic & Community Development (DECD) will have staff available for technical assistance with this process.

1) **Pre-application.** Applicants must submit a pre-application as the first step in the process. City staff may contact the owner/applicant for clarification or to collect additional information about the project if necessary. City DECD staff will screen applications for a) eligibility requirements; b) application completeness; and c) alignment with the objectives of the program. Applicants not selected for full applications will be notified in writing of the decision. The City reserves the right to deny any and all applications.

**2) Full application**. Applicants selected through the pre-application process will be invited to submit a full application. During this phase, the City will request additional documentation for the project, interviews with applicants/owners, site visits, and/or property inspections. Applicants not selected as finalists will be notified in writing of the decision.

**3) Award selection.** Finalists may be asked to meet with the committee and/or City staff to provide additional details about the project. The final grant projects and award amounts will be determined by the following members of the **Review Committee**:

* + Two representatives from the Dept. of Economic and Community Development
	+ One representative from the Mayor’s Office
	+ One representative from the City Zoning or Code Enforcement office
	+ City Council Liaison to the Dept. of Economic & Community Development

For the projects selected by the Review Committee, the City DECD Director will issue a **Commitment Letter** to the applicant that includes the award amount. If the applicant accepts the award (hereinafter referred to as “Sub-Recipient”), a representative from the City of Erie will contact the owner to explain next steps in the process.

**4) Award agreement**. The City will provide an award agreement that outlines the scope of work, budget, schedule, and terms of the grant. HUD CDBG regulations require that properties improved in whole or in part with CDBG funds continue to meet the National Objective until a minimum of five (5) years. This standard will apply for the five year period beginning after the first expenditure of CDBG funds for the project. The National Objective of this façade improvement program is to support activities that address slum or blight on a spot basis and eliminate the conditions that are detrimental to public health and safety. The program is limited to rehabilitation and preservation of the exterior of commercial or industrial buildings within the City of Erie.

The property owner may not change the use of the property for which the improvement was made unless the proposed change still qualifies as meeting a National Objective and will not be used as a facility for the general conduct of government entities. Change in use is subject to notification and a public comment period to affected citizens.

If the City determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under a National Objective, the owner may retain or dispose of the property for the changed use if the City’s CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property (HUD regulation 24 CFR 570.505).

The City will require the Owner to enter into a mortgage lien for a five year period that will be filed by the City’s Director of DECD. This will be executed between the City and property owner with a schedule of Repayment Note outlining the terms. If the Owner wishes to sell the property, but the property improvement will still meet the National Objective, the City will consider a pro-rated reimbursement schedule of CDBG grant funds with 20% of the grant being forgiven per year. Note that sale of any property improved with CDBG funding will be subject to HUD disposition regulations.

At the close of the five-year period, the Owner will be responsible for notifying the City that the terms have been met to close the lien. If the City agrees that all terms of the lien were met, the City will file the Satisfaction. The Sub-Recipient/Owner will be responsible for paying fees required for the filing.

**EVALUATION / SELECTION CRITERIA**

The City has limited funding available for this competitive grant. The City reserves the right to deny approval of any application for reasons including, but not limited to, potential duplication of other available business assistance programs or façade funding/grants, competitiveness of applications received, availability of funds, or any other factors determined by the Review Committee. While a project application may technically be eligible, the grant Review Committee will select projects for awards based on criteria including the project’s alignment with the HUD CDBG National Objective & Façade Improvement Grant Goals; applicant commitment and capacity to complete the project in a timely, compliant manner; urgent or critical needs for assistance; and/or the promising positive impact the project will have on residents and the local economy.

**GRANT COMPLIANCE & APPLICABLE REGULATIONS**

The source of funds (HUD CDBG) and the City’s designated National Objective for these funds (slum-blight-spot basis) defines the eligibility of projects and stipulates several requirements for project compliance. The City also follows state and local policies that may apply to this grant. Full terms and conditions will be provided in the Grant contract agreement between the Sub-Recipient and the City. City staff will be available to answer questions throughout the process.

The City will verify that the property’s real estate taxes, municipal and utility bills, and mortgage payments (if applicable) are not delinquent. The project file will also require documentation of any current liens or outstanding code violations on the property. The City will also collect documentation for a Credit Check of the owner/applicant and a title search of the property.

**Rehabilitation and Design Standards**: Projects must follow the City’s building and safety codes. The City’s Rehabilitation and Code Enforcement Standards will apply to work funded by this grant. The City will conduct property inspections prior to the start of construction and at least one more time at the grant-funded project’s completion. Properties that do not correct code violations by the time of project completion will not be eligible for grant funds. Historic properties will be subject to the U.S. Secretary of Interior’s Standards for Rehabilitation.

If the property improvements will impact residential spaces, the City will provide additional terms and requirements for the project (lead paint, etc.). The City will not fund projects that involve relocation of residential tenants.

**Environmental Review/SHPO Clearance**: All federally funded projects must complete an Environmental Review and receive clearance from the State Historic Preservation Office (SHPO). If buildings are more than fifty years old or in an historic district, SHPO (Pennsylvania Historical & Museum Commission) will review the proposed project before it can begin. City staff will coordinate the submission of the Environmental Review with assistance and documentation from the Grantee. Additional environmental requirements apply to site locations located within flood plain or certain coastal areas.

## Civil Rights: No person in the United States shall on the grounds of race, color, national origin, religion, age, gender identification, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance made available with these grant funds.

**Grievances**. Concerns, complaints, or comments on the City’s CDBG program are accepted in writing to: Director, DECD, 626 State Street Rm 404, Erie PA 16501. The City’s DECD staff will make an effort to respond within one week to one month of the date of the complaint, depending on the complexity of the complaint. Citizens with general comments or other concerns may contact the City’s Citizen Response Center at 814-870-1111 or [www.erie.pa.us/crc](http://www.erie.pa.us/crc).

**Contractor Selection / Procurement**

The City will assist the awarded Sub-Recipient with the procurement process in accordance with HUD CDBG guidelines and the City’s procurement policies.

**Procurement:** All contractors must be competitively procured. The Sub-Recipient will be responsible for creating a request for quotes for the project, which must be provided to the City for approval *prior to soliciting bids*. The City encourages Sub-Recipients to request bids from minority or woman-owned businesses. The City maintains a listing of minority and women-owned businesses as an optional potential resource: <https://cityof.erie.pa.us/government/economic-community-development/community-development/>

The Sub-Recipient must make efforts to obtain at least three (3) written bids from qualified contractors. The Sub-Recipient must supply the City with copies of all bids received and a written justification of the selected contractor(s) to complete the work. The City will review the bids for cost reasonableness. The Sub-Recipient may not enter into a contract or start work prior to approval of contractor selection by the City.

**Davis-Bacon Wage Rates:** Current Davis-Bacon wage rates must be included in bid documents. Any contract over $2,000 that uses CDBG dollars must pay those wage rates, fringe benefits and payments without deductions or rebates as determined by the Davis-Bacon Act to all laborers and mechanics working on the project. The Davis-Bacon Wage Rates will be applicable to the total project, including construction wages paid with non-CDBG matching funds.

## Contract Work Hours and Safety Standards Act: Contractors must pay one and one half times regular pay for all hours worked beyond a standard 40-hour week. Contractors must maintain Certified Payrolls accounting for the number of hours worked for covered employees.

## Copeland Act: This Act prohibits “kickbacks” from laborers and mechanics as a condition of employment on federally funded projects. Violations are considered criminal actions. Contractors must maintain weekly Certified Payrolls with written documentation of non-payroll deductions and all compensation.

**Bids & Contractor Selection:** The City will require the Sub-Recipient to attend a scheduled pre-bid meeting to review requirements and bidding process. The Sub-Recipient must provide the City with copies of all estimates received. The City will provide the applicant with the provisions that must be included in all contracts (include sub-contracts). Construction management will be the responsibility of the Sub-Recipient.

Contracts for the project are not eligible to be made in whole or in part if any of the following apply:

* Contractor does not have a valid Pennsylvania contractor’s license
* Contractor is on the state or federal debarment list
* Potential conflict of interest (owners/applicants and their family members are generally considered ineligible to be compensated for work performed on the project)
* Contractor does not have current general liability and workers compensation insurance policies

Each contractor selected must provide copies of the current liability and workers compensation insurance policies and copies of current Pennsylvania contractor’s license. The City’s policy requires that contracts of $20,600 or more require performance and payment bonds. Contracts under $20,600 require performance bonds. The contractor must have insurance coverage that lists the property owner and City of Erie as additional insured parties. The City will require the Sub-Recipient to provide a copy of the Contractor agreement prior to executing the agreement and when approved, a copy of the executed agreement.

The City requires a pre-construction meeting that must be attended by the Sub-Recipient and the contractor. At the meeting, City staff will review HUD, state, and City of Erie requirements applicable to the project. The City will provide a compliance packet and answer questions regarding required documentation and procedures. Contractors are required to sign a disclosure of conflict of interest certification and Non-collusion Affidavit that must be notarized. The Sub-Recipient will be responsible for the full compliance of contractors working on the grant-funded project.

When the City has received the required documentation (permits, executed contract(s), etc.) the City will provide the Sub-Recipient with a Notice to Proceed. The Sub-Recipient or contractor will be responsible for securing all permits for the project and submitting copies to the City.

**PAYMENT Processes**

The City will not issue payments for work completed or invoiced prior to the Notice to Proceed.

The Sub-Recipient will be required to submit documentation of non-CDBG matching fund payments to the City. The matching fund portion of the project must be paid in full prior to disbursement of CDBG grant funding unless otherwise approved by the City. The Sub-Recipient will pay the first half of the project with matching funds directly to the contractor(s). Copies of invoices must be provided to the City and detail the specific work performed and/or materials purchased. The Contractor will also supply the Sub-Recipient with records with each employee’s hours, job classification, and hourly wage rate, which the Sub-Recipient must provide to the City’s Labor Compliance Officer.

Qualifying matching funds must be paid during the grant project period and for the specific property approved in the grant award. Eligible matching funds will include most costs associated with the rehabilitation of the exterior of the property. Owner and volunteer (unpaid) labor will not be eligible to count toward the match.

The Sub-Recipient must file all change orders with the City. All change orders are subject to City approval of such changes. The City may require Sub-Recipients to re-bid a portion of the work for certain change orders. The Sub-Recipient will be responsible for any additional costs that exceed the grant award amount or costs that were not within the City’s approved scope of work / budget for the grant.

The contractor(s) will submit detailed payment requests for completed work to the Sub-Recipient. The Sub-Recipient must sign all payment requests to indicate approval and submit documentation of payment to the City. The City will not make payments to the Sub-Recipient until adequate evidence has been provided to document the applicant’s matching funds have been paid in full as outlined in the approved grant budget that will be attached to the Grant Agreement.

The City will reserve a portion of funding (typically 5%-10% of the total grant amount based on completion percentage) until a final inspection is conducted to ensure the authorized work was completed as outlined in the contractor agreement and to the satisfaction of the owner. Any code violations must have been corrected by the project completion date. The Sub-Recipient must send the City invoices or other financial documentation of final expenses within 30 days of project completion. Late invoices and/or incomplete documentation of costs will not be reimbursed by the City.

**OTHER TERMS & CONDITIONS**

The Sub-Recipient will permit the City to conduct media outreach and to highlight the project in City publications. The City may request the Sub-Recipient to recognize the City and HUD investment on signage during the construction period if an appropriate area is available at the work site.

Under the Federal Funding Accountability and Transparency Act, the City reports information on federally funded agreements and contracts meeting certain thresholds as governed by the Act and by HUD. The City will also report information on assistance to businesses for this grant to HUD. Businesses assisted and contractors meeting these conditions will be required to have a current Data Universal Number System (DUNS) registration that is used to track federal funding prior to entering the contract/agreement. Registration is free. If your organization does not yet have a DUNS number, or no one knows it, visit the [Dun & Bradstreet (D&B) website](http://fedgov.dnb.com/webform/displayHomePage.do) at <http://fedgov.dnb.com/webform/index.jsp> or call 1-866-705-5711 to register or search for a DUNS number.

PRE-APPLICATION

CITY OF ERIE FAÇADE IMPROVEMENT GRANT

1. **PROPERTY INFORMATION**

Property Address

Property Owner(s) Name

Owner’s Phone Owner’s Email

Applicant Name (if not the owner)

Applicant’s Phone Applicant’s Email

Year built: Est. sq. ft. of the project’s façade(s):

Current property use(s)

[ ]  Retail [ ]  Office [ ]  Mixed-use [ ]  Commercial [ ]  Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Brief description of current property use:

Property status

Indicate all of the following that apply to the current status of the property. Provide a brief description for each item checked. Note that these conditions do not make the project ineligible.

[ ]  Vacant [ ]  Code Violations [ ]  Blighted [ ]  Delinquent taxes [ ]  Safety/Accessibility concerns

 Brief explanation:

Describe the current condition of the existing façade. Describe specific conditions of blight or physical decay to be treated. Describe any physical conditions of the exterior that are detrimental to public health and safety.

1. **USE & SOURCE OF FUNDS**

Describe the proposed façade work to be completed. Include estimated construction start/end dates.

Input the estimated project costs and sources. Matching funds must equal at least 50% of the total project cost ($1 to $1 cash).

|  |  |  |
| --- | --- | --- |
| **Amount** | **Funding Source** | **Status (secured / pending)** |
| $ |  |  |
| $ |  |  |
| $ |  |  |
| $ |  |  |
| **$** |  |  |

GRANT REQUEST: $ TOTAL MATCH: $ TOTAL PROJECT:$

1. **ATTACHMENTS**

[ ]  3-5 color photographs of the exterior to be improved (indicate est. date each image was taken)

[ ]  Preliminary sketches or examples for proposed façade renovations

[ ]  Detailed budget and documents supporting cost estimates

1. **SIGNATURES / CERTIFICATIONS**

By signing this pre-application, I certify that I have read the program guidelines and understand that additional information will be required should this project be selected to proceed for further review.

Property Owner:

 *SIGNATURE DATE*

Applicant *(If not property owner):*

*SIGNATURE DATE*

*Note: If more than one person is named on current legal documents of ownership of the property, signatures from all owners must be obtained prior to applications being processed.*

Return this application to:

Abby Skinner

askinner@erie.pa.us

814-870-1271

626 State Street, Rm 404

Dept. of Economic & Community Development

Erie, PA 16501

1. *The City reserves the right to determine the eligibility of proposed improvements and may review certain project items on a case-by-case basis.* [↑](#footnote-ref-1)