

**Finger Lakes Horizon Economic Development Corporation
Village of Penn Yan DRI Building Improvement Fund**

Program Guidelines for Applicants

The revitalization of downtown Penn Yan will propel long-term regional prosperity and provide year-round opportunities for all residents and visitors to enjoy the area's natural assets, local foods and beverages, arts, and creative economy in an attractive and accessible destination. In alignment with the Penn Yan DRI vision statement, the Village is seeking to improve the utilization of vacant and underutilized property, attract and expand businesses, create mixed-income residential units, and attract resident's downtown.

The Finger Lakes Horizon Economic Development Corporation (FLHEDC) has been awarded funding through the New York State Downtown Revitalization Initiative (DRI) to finance a Building Improvement Fund. A \$600,000 Building Improvement Fund has been established to provide grant funding for applicants to implement interior and exterior building improvements in the Village of Penn Yan DRI area. Goals of the Penn Yan DRI Building Improvement Fund are to preserve and renovate historic downtown buildings, stimulate entrepreneurship, and promote mixed-income residential uses including upper-floor units. The fund is available to any commercial and/or mixed-use building owner within the Village of Penn Yan DRI boundary.

The Building Improvement Fund will mimic many of the goals, process and requirements of the NYS Main Street Program that includes providing funds for administration of the program by the FLHEDC. Funds are also available for limited soft costs including architectural and environmental services for the Building Improvement Fund.

The FLHEDC may award between \$10,000 (minimum) up to \$100,000 (maximum) in DRI grant funds, per building, not to exceed 75% of the total building renovation project cost. The funding is on a building-by-building basis and in-kind match is not eligible. Costs incurred prior to the effective date of the grant agreement are not eligible for reimbursement and not eligible as a match.

Applicant Eligibility

For profit and not-for-profit organizations and individuals are eligible to apply after meeting the following conditions:

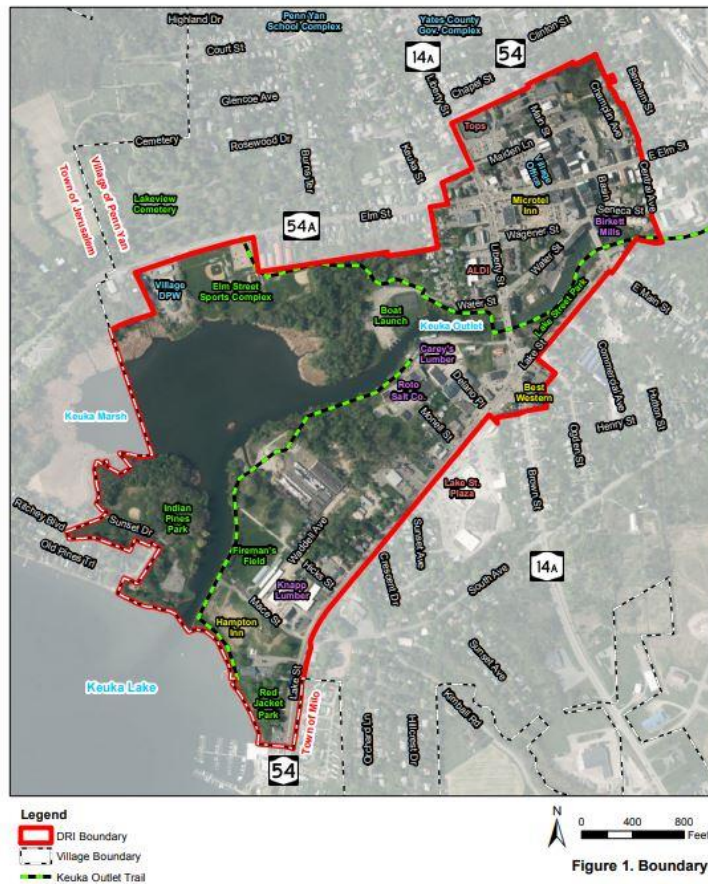
1. Property must be within the designated target area of Penn Yan DRI boundary.
2. Properties must be commercial or mixed-use (commercial & residential).
3. The applicant must be current on all municipal taxes including property, water and sewer and any other obligations to the municipalities such as loan payments.
4. Properties that are already receiving DRI funding are not eligible to apply.
5. The applicant will obtain a Village of Penn Yan building permit prior to construction.
6. The applicant must have the ability to finance the entire project and submit for reimbursement when the project is complete.
7. No costs can be claimed against the Penn Yan DRI Building Improvement Fund, in advance of official project grant approval from the Penn Yan Building Improvement Fund Committee and Housing Trust Fund Corporation (HTFC).

Eligible Activities

Interior and exterior building renovations, including but not limited to:

- Facades
- Storefront upgrades
- Building signs
- Window/door repair and replacement
- Painting
- Masonry repair
- Awnings
- Exterior lighting
- Interior upgrades (heating, plumbing, electrical, walls, floors)
- Soft costs including architectural and environmental costs

Boundary Map



Program Parameters for Applicants

Project Scoring

The FLHEDC and Penn Yan DRI Building Improvement Fund Committee will determine the impact that the project will have on the target area and specifically address the following:

1. **Readiness** – Proposals should provide proof of readiness such as proof of ownership or lease agreement, sketches or preliminary drawings, documentation that 100% of the financing for the project is in place. P&L statements and lease documents can be provided at time of application to strengthen the application (up to 30 points).

2. **Economic Impact** – Projects that improve utilization of the Village of Penn Yan building stock, convert underutilized storefronts to highest-use. Business attraction or expansion, projects resulting in job creation. Promote mixed-income downtown residential uses including upper floor apartments. Projects that applied for DRI but were not awarded funds, are eligible for additional points (up to 25).
3. **Visual Impact** – projects that are visually prominent downtown, preserve and restore buildings with historic value, number of commercial units being renovated, number of residential units being renovated or created, building is near other strong projects being proposed. (up to 30 points).
4. **Leveraging Personal Investment** – Projects that leverage more personal investment (up to 15 points).

Ineligible Activities

- Acquisition costs
- New construction
- Improvements to structures owned by religious organizations
- Improvements to municipally owned and operated buildings
- Appliances, business equipment, disposable supplies, electronics, non-permanent fixtures, tools
- Any work that, in the Building Improvement Fund Committee’s opinion, is inconsistent with or detracts from the charter of the Village of Penn Yan.
- Ancillary activities:
 - Septic systems or laterals
 - Grading
 - Parking lots
 - Sidewalks
 - Landscaping
 - Fences
 - Free standing signs
 - Deferred maintenance
- Purchase of security system equipment
- Demolition of building
- Refinancing of debt
- Payment or reimbursement for awardee’s in-kind labor
- Payment of sales tax

Soft Costs- eligible soft costs include architecture, engineering, and environmental testing expenses. Soft costs require matching funds, and in-kind match is not eligible. Soft costs incurred for work on buildings that eventually prove infeasible and do not receive other investments will not be reimbursed with DRI funds. Therefore, reimbursements for soft costs may not be requested as part of a partial payment prior to project completion.

Proof of Available Financing- proof of available financing through cash in bank (balance sheet), secured loan commitments, and project lines of credit is required.

Regulatory Requirements and Repayment Provisions- All assistance is in the form of a reimbursable grant with a five (5)-year compliance period. Should the property owner sell the property within the five (5)-year timeframe, they will be responsible for repaying a portion of the grant funding received. Repayments will be retained by the FLHEDC and used for eligible activities as presented in this administrative plan. Property owners will be required to execute a Declaration document committing to this compliance period. Required repayment of DRI funds will be calculated in accordance with the following schedule:

Months 0-12:	100% repayment due.
Months 13-24:	80% repayment due.
Months 25-36:	60% repayment due.

Months 37-48: 40% repayment due.
Months 49-60: 20% repayment due.
Months 60 and beyond: 0% repayment due

Grants may be taxable under the Federal Tax Cut & Jobs Act of 2018. Project owners should consult with a business tax professional.

Payment Process

All DRI projects will operate as a reimbursement grant program. The project owner is responsible for paying all agreed upon project costs and grant reimbursements will be made when the project is complete.

1. No reimbursement shall be paid to the owner until an inspection of the work has been completed by the FLHEDC, its representative(s) or agent(s).
2. All completed work shall comply with all applicable building codes and standards.
3. To substantiate work costs, Owners must provide the following:
 - a. written contracts
 - b. bank documents
 - c. copies of invoices for materials and labor
 - d. cancelled checks
 - e. lien releases
 - f. and any other documents deemed reasonably necessary by the FLHEDC or required by HTFC to maintain effective internal controls.
4. Cash payments/cash receipts are not permitted and will not be reimbursed.
5. The payment of any amount(s) due and payable by the HTFC through the FLHEDC to the project owner, as a reimbursement pursuant to this Grant Agreement for work completed shall be payable within sixty (60) calendar days after all work is satisfactorily completed and sufficient supporting documentation is provided to the FLHEDC and HTFC.
6. Sales tax should not be included on the invoice as the state is exempt from sales tax.

Project Review & Selection Process and Criteria

The FLHEDC will use the following project selection criteria and project review and selection process. This process will be used consistently throughout the term of the Village of Penn Yan Building Improvement Fund grant program.

Project Application

The FLHEDC will prepare an application (hard copy and online) with instructions. The application materials outline the program requirements and selection priorities. The application requests all information necessary to fully review the project for eligibility. Requirements include:

1. Completed Application
2. Copy of Deed for the property
3. Proof of financing
4. Conflict of Interest Statement
5. "Tax Search" providing that the subject property has no past due village, town/county, and school taxes.

Project Review Committee

The Project Review Committee will implement the project selection process and generate funding decisions. The planned members include seven members from the Penn Yan DRI Local Planning Committee.

Review/ Selection Process

Penn Yan DRI Building Improvement Fund applications will be available during a period to be determined and specified by the Building Improvement Fund Committee. Applications must be received and deemed completed

by the FLHEDC prior to the determined close date to be considered eligible for funding. If all funds are not awarded, the FLHEDC and Building Improvement Committee will reopen the application period and continue to accept projects until all funding is expended.

The FLHEDC Economic Development Specialist will collect applications and facilitate meetings for the Building Improvement Fund Committee. The committee will have the opportunity to review the project applications and meet with the project owner.

The review committee will discuss each project as a whole, and will score each project individually. The results will be tabulated by the FLHEDC Economic Development Specialist, shared with the Building Improvement Fund Committee and the projects will be ranked. The review committee will discuss the projects, and make a recommendation selecting which projects will move forward for funding, and the amount of grant funds they will receive. The project selection committee has the authority to approve the projects as presented, modify, disapprove, or approve the project with special conditions.

Project Selection and Review Criteria

Projects that are ready, advance the priorities of the Penn Yan DRI Strategic Plan, are visually prominent downtown, include renovations of upper floor residential units, and expand the economic base of the Village will be reviewed and scored following the criteria in Section 17, highest scoring projects will receive priority.

Notification of Disposition

Once a project has been formally selected and approved by the FLHEDC and Building Improvement Fund Committee for grant funding, the Economic Development Specialist for the FLHEDC will contact the applicant to begin to develop a formal scope of work for the project.

Commitment Fee

The applicant will provide the FLHEDC with a specific commitment fee following approval of grant funds along with a signed commitment letter. The commitment fee is non-refundable. The commitment fee will be used by the FLHEDC to pay for work such as environmental testing, developing the scope of work, and final inspection. Commitment fee will be \$500 per project. The paid commitment fee will be counted toward the required match for the project if renovation activities advance.

Design Standards

All projects must be consistent with the Village of Penn Yan's design guidelines. All projects will be subject to review by the New York State Historic Preservation Office (SHPO). The FLHEDC or a hired consultant will be responsible for preparing the SHPO review submission.

Housing Trust Fund Corporation Approval

Approved projects will be submitted to Housing Trust Fund Corporation (HTFC) for review and approval prior to notifying property or business owner of formal funding approval. Property or business owners will be notified of their award contingent upon approval of HTFC. The submission to HTFC will include:

1. Property location information
2. Business information
3. Project scope of work
4. Project cost estimates
5. Award amount
6. Total project cost
7. Proposed payment structure
8. Projected outcomes, e.g. units assisted, jobs created/retained
9. Environmental Compliance Checklist and supporting documentation

Contracting Procedures

The FLHEDC will enter into a contract with the project owner to provide the program financial assistance. The contract will outline the roles and responsibilities for both the FLHEDC and the participating property or business owner. At a minimum, the contract will specify:

- 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 FLHEDC and HTFC to use photographs of the assisted business or property,
- Requirement to engage a contractor and begin activities within 30 days of formal FLHEDC approval;
- Payments structure, timing,
- FLHEDC has the right to inspect work at any time,
- FLEDC may terminate the award and cancel the contract should the work or purchases be inconsistent with the program rules outlined, agreed upon scope of work or project design, stated timeline or if insurance is not maintained by the participating contractor.

Project Development

Environmental Review

Prior to the commitment or expenditure of program funds, the environmental effects of each activity will be assessed in accordance with the State Environmental Quality Review Act (SEQR). The FLHEDC or hired consultant, will submit all required environmental review paperwork according to the requirements outlined in the HTFC Environmental Compliance Handbook.

Work Write-up Scope of Work

Once the Building Improvement Fund Committee has formally selected an application for program assistance, the FLEHDC will work with the property owner to develop a scope of work and outline the program requirements. A hired consultant, architect or design professional may be required, as determined by the Building Improvement Fund Committee. For projects requiring detailed design elements, the consultant will be required to prepare the scope of work appropriate for bidding purposes.

The FLHEDC and their consultant are responsible for coordinating renovation work write-ups with local code officials, the State Historic Preservation Office, and other regulators. Both the FLHEDC and the property owner must sign-off on the formal scope of work.

The initial scope of work may be amended by mutual agreement and to include work items that resolve any health, safety or code issues. Pictures will be taken of those areas proposed for building improvements. The pictures will be used to document the pre-construction condition of the property and to describe proposed improvements to the State Historic Preservation Office.

As part of the environmental review the scope of work and pictures of the project will be sent to the State Historic Preservation Office for review and approval. Review and approval of the project's consistency with local planning, zoning, design and SEQR regulations will also be required. A final scope of work and cost estimates will be prepared by the FLHEDC or consultant, prior to requesting bids from contractors. The applicant will agree to or sign off on the final scope of work.

Contractor Selection

The FLHEDC will assist applicants in producing a list of contractors. Contractors must supply proof of proper insurance and references. Additional contractors can be added to the list at any time as long as references and proof of proper insurance are provided to the FLHEDC.

Procurement & Bidding

The Penn Yan DRI Building Improvement Fund and the HTFC requires that at least two bids are solicited and received for each project. The final scope of work, agreed upon by the project owner and the FLHEDC will be sent out to multiple contractors, including NYS Certified Minority and Women Owned Business Enterprises. Contractors will be given an adequate time to prepare and submit bids.

1. The FLHEDC will work with individual project owners to complete the procurement process, for all activities to be reimbursed with DRI funds. A minimum of two bids must be obtained for each separate construction project or professional service in order to establish the reasonableness of project costs.
2. The procurement process will be free of collusion or intimidation.
3. A clear, written, scope of work for the project, will be the basis for the bids or proposals. All bidders must have equal access to relevant information, including information on the property itself.
4. The bids or proposals for all activities must be submitted directly to the FLHEDC on behalf of the project owners.
5. The FLHEDC will work with the project owner to select the lowest responsible bidder, If the property owner chooses an alternate bidder, other than the lowest bidder, re-imburement will be based on the amount of the lowest bid.
6. The FLHEDC will document the bid solicitation, review and selection process and save such documentation in its project files.

EEO & MWBE Requirements

The FLHEDC is required to comply with Articles 15-A and 17-B of the New York State Executive Law. These requirements include equal employment opportunities for minority group members and women (“EEO”), and contracting opportunities for certified minority and women-owned business enterprises (“MWBEs”) and Service-Disabled Veteran-Owned Businesses (“SDVOBs”). The FLHEDC’s demonstration of “good faith efforts” pursuant to 5 NYCRR §142.8 shall be a part of these requirements. Please visit NYS Empire State Development’s Division of Minority & Women Business Development website for a directory of certified Minority and Women-Owned Businesses: <<http://www.esd.ny.gov/MWBE.html>>.

The FLHEDC will submit a Contractor Bid Solicitation Plan with the grant agreement. This Plan will identify a minimum number of certified MWBE firms that will be included in the bid solicitation process. Once the contractor/vendor selection process is complete, the FLHEDC must report to HTFC on the use of certified MWBE firms.

Construction Management/Quality Control

Construction Monitoring

The FLHEDC reserves the right to inspect or audit work in progress on any project. The FLHEDC will perform periodic inspections of renovation activities to ensure project progress.

Final Inspection

Upon completion of each project the FLHEDC will conduct a final inspection and submit a final report to the HTFC to formally document completion of project activities.

Program Compliance

All assistance is in the form of a reimbursable grant with a five (5) year compliance period. Should the property owner sell the building within five the (5) year timeframe, they will be responsible for repaying a portion of the grant funding received. Reimbursement is subject to execution of a declaration form at the conclusion of the project. The declaration form will be filled with the Yates County Clerk.

Financial Management

The FLHEDC has written policy on internal controls which will be used to determine the process for disbursing HTFC funds. The FLHEDC's Chief Financial Officer will sign an authorized signature form designating them as an authorized representative to sign disbursement requests and will be responsible for all financial transactions under this contract.

Conditions

Housing Trust Fund Corporation reserves the right to change or disallow aspects of the application and may make such changes conditions of its commitment to provide funding to a project or program. The FLHEDC will address any additional requirements or conditions of approval.

Covenants of the Recipient

The FLHEDC will comply with all guidelines, policies, procedures, regulations, and statues of the program. Any change or variance from the approved Administrative Plan must be requested and approved in writing. The FLHEDC must refer to the Grant Agreement and associated schedule(s) for a summary of the awarded program activities, budget and projected accomplishments.

Conflict of Interest

Conflict of Interest

1. Contactor's cannot receive DRI funds for work done on a property that they own or a property that is owned by an immediate family member.
 - a. An immediate family member includes: a spouse, child, step-child, parent, step-parent, sibling, grandparent, grandchild, mother-in-law, father-in-law, son-in-law, or daughter-in-law.
2. A property owned by the following individual will not be eligible for grant funding.
 - a. FLHEDC board member and family member.
 - b. FLHEDC staff member and family member.
3. Prior to commencing a project where there is a possible conflict of interest, the FLHEDC must review the project with HTFC staff.