

## COMMUNITY DEVELOPMENT BLOCK GRANT DOWNTOWN FAÇADE IMPROVEMENT

The Michigan Strategic Fund (MSF), in cooperation with the Michigan Economic Development Corporation (MEDC), administers the economic and community development portions of the Community Development Block Grant (CDBG) program. CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development (HUD). The community development portion of Michigan's CDBG program has a special focus on downtown development which includes special funding initiatives in traditional downtowns for façade improvement.

Grants are available for communities that seek to target areas of traditional downtowns for façade improvements, which will have a significant impact on the downtown/community. The Downtown Façade program is structured to provide commercial/mixed-use building façade improvements to sustain and minimize deterioration of the downtown area.

### WHO IS ELIGIBLE?

Small cities, townships, and villages of less than 50,000 in population, and counties with a population of 200,000 or less are generally eligible to apply for grants under the Michigan CDBG program. There are over 1,600 eligible general purpose local governments and these are referred to as **non-entitlement jurisdictions** (*click on link for complete list*).

Under the Michigan CDBG program, all façade projects must meet the following national objectives and the corresponding statutorily mandated requirements to be considered for funding:

- The activities will benefit persons of low and moderate income, as defined by Section 104(b)(3) of the Housing and Community Development Act and 24 cfr570.483.

### GRANT DETAILS

Downtown Façade projects will be measured as to their ability to meet each of the following criteria:

- **National Objective**

Proposed projects are expected to meet the national objective of either (1) benefiting a population of

individuals of whom at least 51 percent reside in low- to moderate-income households or (2) projects that will result in the creation of full-time equivalent (FTE) jobs, of which at least 51 percent of the created jobs will be held by low- to moderate-income persons.

- **Project Type**

Specific parcels of commercial/mixed-use property must be identified. Projects will be located in a traditional downtown, must be located in a DDA or other like-district and all projects must meet the Secretary of Interior's Standards for Rehabilitation.

- **Matching Funds**

Funding priority will be given to projects with the highest percentage of local matching funds (committed funds only). A minimum 25 percent match is required for job creation projects. A minimum 50 percent match is required for area-wide benefit projects. Match includes any interior property improvements or other work associated with project occurring on property and all contracts (including those related to match) will have to comply with the Davis Bacon Act.

- **Project Selection**

Priority will be given to communities that: currently have an existing façade program; projects that consist of three or more buildings; identify projects that are multi-story, include the complete façade, are eligible for historic or contributing designation, and are partially or completely vacant that will be returned to active use upon completion of grant; identify projects that will create more than five new full time equivalent jobs; where the amount of CDBG funds per jobs created is \$25,000 or less based on the number of jobs created or retained; can demonstrate prior use of downtown development incentives; have local organizational capacity to successfully complete this project; have a full-time downtown development professional to administer the project; have adopted a downtown development plan; and demonstrate that the project is located in a strategically valuable location of the traditional downtown.

## CDBG DOWNTOWN FAÇADE IMPROVEMENT *continued*

### • Project Provisions

All project beneficiaries must agree to abide by a five year restricted resale and reuse provision policy that is formally identified within the grant documents.

All jobs must be created within two years and be maintained until grant is closed. Projects must be bid out according to the Davis Bacon Act (interior and exterior) and the community must complete an environmental review of the entire project (including match eligible and ineligible activities).

The maximum individual grant award shall not exceed \$400,000 and must be for a minimum amount of \$30,000.

### GRANT ACTIVITIES

#### Examples of Eligible Grant Funded Activities:

Permanent exterior improvements, including masonry repairs and tuckpointing; repair/replace/preserve historically significant architectural details; removal of historically inappropriate materials from façade; window restoration/replacement; storefront reconstruction; cornice repair; exterior painting and stucco (where appropriate); awnings, canopies, and permanent exterior signage integrated into the storefront design (not business specific); door repair or replacement; permanent exterior lighting; repair/replacement of gutters and down spouts; other façade improvements, including fire escapes; etc. Tuckpointing, removal of siding, restoration of windows, window replacement, storefront construction, painting in conjunction with larger project, awnings/signage, rear/side facades when in highly visible areas, etc.

#### Examples of Eligible Match Activities:

All permanent improvements not detailed above, including roof repairs; attached, hanging or projecting signs unrelated to the architecture of the building; mechanical equipment enclosures (non-visible); all interior improvements and furnishings; landscaping; utility/trash enclosures; private parking lots and site improvements; etc.

#### Examples of Ineligible Match/Grant Activities:

Exclusively residential structures, government owned buildings, except for Land Bank Properties, and renovations on properties with delinquent taxes.

### GRANT PROCESS

#### JOB CREATION PROJECTS

Typical process can take between 3–5 months until funds can be spent or contracts signed. Note: The following steps are offered as general guidelines only to provide some guidance to communities on typical steps, timelines and responsibilities.

1. Contact your CATeam specialist for review and evaluation of the project.
2. If the project evaluation is determined to meet the criteria of the program, the community will be asked to complete a CDBG pre-application for project details.
3. Following submission of the pre-application your CATeam specialist will present you project to the CATeam staff for support to move the project forward. If supported your project is placed on the Michigan Strategic Fund Board agenda.
4. If the project is approved by the MSF board the community will be invited to complete a full application.
5. Once completed, the full application is reviewed by the CDBG project manager.
6. Following review and upon completion of all required items, the CDBG project manager prepares a grant agreement for the project.
7. Upon all documents being signed and approved, the CDBG project manager will give the community authorization to incur costs. ***Do not start any work or sign any contracts until you are given by authorization by the CDBG project manager to incur costs.***

### GRANT PROCESS

#### AREA WIDE BENEFIT FOR LOW AND MODERATE INCOME COMMUNITIES

- If your community is designated as a Low and Moderate Income Community by HUD your project can qualify for funding based on satisfying the national objective of Area Wide Benefit.
- Area Wide Benefit funds are made available through grant rounds occurring at various times throughout the year.

## CDBG DOWNTOWN FAÇADE IMPROVEMENT *continued*

- If your community is a Low and Moderate Income Community, you will be notified of an upcoming grant round and be directed to all application instructions, application deadlines and application forms.
- Following the grant round deadline the completed applications will be scored and communities with the highest scores will receive funding based on the amount of funding available in the grant round.

### CONTACT

To receive consideration for CDBG Downtown Façade Improvement funding, initial contact should be made with the Community Assistance Team member assigned to your territory ([click link for map](#)). For more information, contact the MEDC Customer Assistance Center at 517.373.9808 or visit our website at [www.MichiganAdvantage.org](http://www.MichiganAdvantage.org).

### WHY WOULD A COMMUNITY WANT APPLY FOR CDBG DOWNTOWN FACADE IMPROVEMENT FUNDS?

The Façade Improvement program is based on the premise that the exterior improvements will stimulate additional private investment in the buildings and the surrounding area, attract and increase additional customers, thereby resulting in additional downtown economic opportunities.