



CITY OF UTICA, NEW YORK

DEPARTMENT OF URBAN & ECONOMIC DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK LOAN

FAÇADE PROGRAM POLICIES AND PROCEDURES

Background

The City of Utica(City) Department of Urban and Economic Development (UED) created the Façade Improvement Loan Program (Façade Program) to visually improve urban center neighborhoods where people shop and live. The program is focused on the rehabilitation of blighted commercial buildings within commercial thoroughfares that are adjacent to residential neighborhoods for the purpose of encouraging economic development within the City and improving the quality of life for residents in and around the project area. Façade Program Projects will be funded through the Community Development Block Grant (CDBG) Entitlement Allocation received by the City of Utica from the U.S. Department of Housing and Urban Development (HUD). Individual Façade Program Projects will be limited to small target areas that have undergone a formal slum and blight assessment by UED Planning staff and have been identified with the City of Utica Annual Action Plan. All Façade Program Target areas will be located within the overall CDBG Target Area for the City.

Overall Program Objectives

1. Initiate a process that leverages private funds to enhance the aesthetics of commercial thoroughfares;
2. Encourage economic development and utilization of currently vacant commercial spaces by empowering building owners to attract new entrepreneurs and economic activity;
3. Preserve significant historic buildings to provide an environment that attracts new investment and adaptive reuse of buildings for new and expanding enterprises;
4. Address blighting and hazardous code violations, long-term economic feasibility, and accessibility concerns within deteriorating commercial spaces;
5. Improve the quality of life for City residents, specifically those living in adjacent residential districts.

Overall Program Policies:

Any and all City of Utica Façade Programs will be structured to comport with the following overall program policies:

1. CDBG National Objectives

Façade Programs funded in whole or in part by City of Utica CDBG Funds carried out under the CDBG National Objective of Preventing/Eliminating Slums and Blight (“Slum and Blight”). The City will carry out the Slum and Blight National Objective in conformance with the rules and regulations associated with Slum and Blight Area Basis Activities. As such, and prior to the commencement of any Façade Program, the City will ensure the following:

- a. ***Designation of a targeted Slum and Blight Area*** with specified borders limiting the eligible recipients of Façade Program assistance to those properties located within the target area;
- b. ***Completion of a Slum and Blight Report*** for the target area which includes but is not limited to:
 - i. Documentation of the number of properties within the target area;

- ii. Evidence demonstrating that at least one quarter (25%) of the buildings within the designated area are deteriorated or deteriorating. Deteriorated/deteriorating buildings shall be buildings which fail to meet the standard set forth by New York State Property Maintenance Code;
- iii. Any applicable code violation documentation;
- iv. Photographs of deteriorated and deteriorating buildings;
- v. A comprehensive list properties in the target area which are eligible for CDBG funding under the Slum and Blight Report as well as properties which are ineligible

Following the completion of each Façade Program project, UED will document how the Façade Program project remediated conditions which led to the designation of the area as a Slum and Bight Target area.

Documentation shall include but not be limited to

- a. 'Before' and 'After' photographs demonstrating the physical change in the façade;
- b. A narrative describing the deteriorated condition of the property prior to Façade Program Funding;
- c. A narrative accounting for all work performed in association with the Façade Program funding and how this work remediated the aforementioned deteriorated condition of the property

2. Compliance with Cross-Cutting Federal Requirements

The policy of the City of Utica will be to take all necessary efforts to comply with applicable federal regulations which relate to the use and management of CDBG funds. The City has and will continue to adhere to the policies and procedures already effective with regard to federal regulations which cross-cut with the CDBG specific regulations. In carrying out the specific goals and objectives of the City of Utica Façade Program, additional policies and procedures may be required to ensure specific compliance. The following outlines the applicable cross-cutting issues affecting the City of Utica Façade Program and how each will be addressed to ensure compliance:

a.) Financial Management and Procurement:

Financial Management of Façade Program Funds will occur in accordance with the governing federal, state and local laws including but not limited to:

- i. OMB Circulars: A-87, A-133, A-21, A-122;
- ii. 2 CFR Part 225: Cost Principals for State, Local and Indian Tribal Governments;
- iii. 2 CFR Part 230: Cost Principals for Non-Profit Organizations;
- iv. 24 CFR Part 84: Uniform Administrative requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations;
- v. 24 CR Part 85: Administrative Requirements for Grants and Cooperative Agreements to Sate, Local and Federally Recognized Indian Tribal Governments;
- vi. 24 CFR 570.02: Applicability of Uniform Administrative Requirements (CDBG Entitlement Program);
- vii. 24 CFR 570.509: Grant Closeout procedures (CDBG Entitlement Program);
- viii. The City of Utica Procurement Policy; and
- ix. Standard Accounting Practices.

Funds will be disbursed in accordance with Section 4 (Financial Controls) of this part as well as in accordance with City of Utica Policies and Procedures governing the disbursement of grant funds.

Funding will be awarded following a Notice of Funding Available (NOFA) directed towards the eligible properties in the Slum/Blight Target Area. Funds will be provided on non-competitive bases; however priority of will be based upon the applications score following review against the Façade Program Funding Rubric. The Program funding Rubric is more fully explained under the Project Procedures Section (1)(f). Finalized Façade Program Funding Rubrics for the designated target area will be completed prior to the release of applications and attached to the NOFA.

Applicants awarded funds will solicit no less than three (3) contractor bids for the Façade Program Construction phase. Solicitation must be based upon the approved scope of work developed in conjunction with the UED engaged project design and/or rehabilitation specialist. As part of the bid submission, Contractors must sign and submit the City of Utica Statement of Non-Collusion. All three (3) bids must be reviewed and accepted by UED staff. UED staff will be responsible for checking the contractors against the federal and state lists of debarred contractors. Façade Program funds will only be permitted where the owner accepts the bid submitted by the lowest responsible bidder.

b.) Environmental Review:

In order to ensure that all Façade Program funded projects adhered to the rules and regulations associated with environmental review, projects will be required to conform to the City of Utica Environmental Review Policy.

Prior to the NOFA, but after the completion of the Slum and Blight Target Area Report, UED Staff will conduct a general environmental review process for the area. Once a project site is approved for funding and a scope of work is developed, UED staff will conduct a site specific environmental review process.

c.) Federal Labor Standards:

Owners/Contractors will be required to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of any work performed in association with the Façade Program.

Owners/Contractors will be required to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. Owners and/or Contractors shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the City for review upon request.

All contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided by the Façade Program, shall comply with Federal requirements adopted by the City and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers.

To ensure contractors are fully aware of their obligations with regard to the aforementioned Federal Labor Standards, as well as any additional state or local labor standards, the contract between the Owner and Contractor must comply with the City of Utica Owner/Contractor Model Written Agreement.

d.) Acquisition and Relocation:

UED Staff will take all necessary steps to ensure that 49 CFR Part 24 (Uniform Relocation and Real Property Acquisition for Federal and Federally-Assisted Programs), as well as other applicable regulations associated with acquisition and relocation are adhered to. Additionally, UED Staff will ensure adherence to the City of Utica Residential Antidisplacement and Relocation Assistance Plan with regard to any residential units which may be affected during a Façade Program Project.

The above list is not intended as a complete list of all possible federal regulations which may apply to a property receiving Façade Program Funds. Contracts for funding will include provisions requiring compliance with “any applicable federal rules or regulations.”

3. Compliance with State and Local Requirements

In addition to crosscutting federal regulations affecting properties subject to the City of Utica Façade Program, there are also a number of State and Local Regulations that must be adhered to during the administration of the City of Utica Façade Program. UED staff will ensure that projects receiving Façade Program Funds adhere to all applicable state and local regulations. The following list includes state and local regulations that have been identified as being likely to affect Façade Program recipients as well as the policy by which UED will ensure compliance.

a.) Applicable State and Local Building Codes

All Façade Program Projects are required to have a scope of work developed by the UED engaged project design and/or rehabilitation specialist, in accordance with the Project Procedures Section 3(a) below. Following the selection of a UED approved contractor Section 3(b), but prior to the issuance of a Notice to Proceed under Project Procedures Section 3(c), the Contractor will be required to meet with the City of Utica Department of Codes Enforcement (Codes Department) to obtain all necessary permits and approvals. Notices to Proceed under Project Procedures Section 3(c) will not be provided until the Codes Department has signed off that they have reviewed the Scope of Work with the selected contractor.

Throughout the construction process the Codes Department will inspect work in accordance with their internal procedures for monitoring construction subject to a building permit. Following the completion of the construction process the Codes Department will provide documentation demonstrating that the work performed conforms with the governing Code requirements. UED will not release funds under the Façade Program until such time that Codes Department has provided the aforementioned documentation. It will be the responsibility of the applicant to ensure that UED is provided with such documentation..

b.) Zoning and Planning Approvals

Applicants will be responsible for obtaining any and all required variances or approvals for the current or intended use(s) of their buildings prior to submitting applications for program funding. Prior to UED awarding Façade Program Funds to a project, UED Planning Staff will review the project applications to determine if the ultimate use of the property either conforms with the City of Utica Zoning Code or alternatively that the applicant has received any and all necessary approvals from the Zoning Board of Appeals to permit the intended use.

Following the development of the scope of work in accordance with Project Procedures Section 3(a) UED Planning Staff responsible for oversight of Zoning and Planning will review the approved scope of work to determine if any variances or approvals are required for work to proceed. A Notice to Proceed pursuant to Project Procedures Section 3(c) will not be issued until review by Planning Staff has occurred.

c.) Scenic and Historic Preservation

Applicants will be responsible for obtaining any all approvals necessary under the State and Local laws pertaining to Scenic and Historic Preservation. Prior to UED awarding Façade Program Funds to a project, UED Planning Staff will review the project applications to determine if the property is within the City of Utica Scenic and Historic District or listed on the State and/or National Registry of Historic Places.

In the case where a property receiving funding under the Façade Program is fund to be in the City of Utica Scenic and Historic District, prior to the finalization of the scope of work, the property owner, working with the UED engaged project design and/or rehabilitation specialist, will seek approval from the Scenic and Historic Commission (Commission). A final scope of work in accordance with Project Procedures Section 3(a) will not be accepted by UED staff without preliminary approval. A Notice to Proceed under Project Procedures Section 3(c) will not be issued until final approval has been obtained from the Commission.

d.) Tax Obligations

Prior to the award of Façade Program Funds to any project, UED staff, working with the City of Utica Comptroller's Office, will ensure that the property subject to the application is current on all applicable property taxes. Funding will not be awarded to any property which is delinquent

on taxes. Additionally, the release of project funds will be contingent upon the property remaining current on taxes throughout the construction process. Finally, as part of the monitoring requirements associated with the loan, UED staff will annually verify that properties are current on all tax obligations. Delinquency in taxes will be deemed a default under the loan agreement.

The above list is not intended as a complete list of all possible regulations which may apply to a property receiving Façade Program Funds. Contracts for funding will include provisions requiring compliance with “any applicable state or local rules or regulations.”

4. Financial Controls

UED will follow all internal financial procedures with regard to CDBG expenditures and standard accounting practices. The UED Staff charged with project oversight will review projects upon receipt of vouchers and will verify that the project complies with all applicable rules and regulations and that all policies and procedures have been adhered to. Following review and approval by UED Project Staff, the CD Finance Administrator will review the voucher and supporting documentation to ensure that all expenditures are properly documented and comply with any and all applicable rules and regulations governing financial management of federal funds. Applicable rules and regulations may include but are not limited to:

- a. OMB Circulars: A-87, A-133, A-21, A-122
- b. 2 CFR Part 225: Cost Principals for State, Local and Indian Tribal Governments
- c. 2 CFR Part 230: Cost Principals for Non-Profit Organizations
- d. 24 CFR Part 84: Uniform Administrative requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- e. 24 CR Part 85: Administrative Requirements for Grants and Cooperative Agreements to Sate, Local and Federally Recognized Indian Tribal Governments
- f. 24 CFR 570.02: Applicability of Uniform Administrative Requirements (CDBG Entitlement Program)
- g. 24 CFR 570.509: Grant Closeout procedures (CDBG Entitlement Program)

Following review and approval by the CD Finance Administrator the Commissioner of UED will provide final UED review of the voucher. Upon approval by the Commissioner of UED, the voucher will be forwarded to the City of Utica Comptroller’s Office. Upon acceptance by the Comptroller the associated expenses will be reimbursed on the next available City of Utica Vendor Pay Day.

5. Record Keeping and Reporting

UED Staff will maintain full records of the Façade Program Projects through the duration of the project, the loan period, and for 6 years following the completion of the loan obligations. Records to be maintained include but are not limited to:

- a. Project Application
- b. Loan Agreement and Mortgage

- c. Construction documents including:
 - i. Scope of Work
 - ii. Documentation of required approvals
 - iii. Copies of all bids received
 - iv. Agreement between approved contractor and property owner
 - v. Notice to Proceed
 - vi. Codes Approval of work Completed
- d. Voucher copies and attached documentation
- e. Documentation of Annual Monitoring

Project Procedures:

1. Project Application

a. *Notice of Funding Available (NOFA)*

A NOFA will be released no less than 30 days but no more than 90 days prior to the deadline for submitting applications for project funding. The NOFA will delineate the target area, amount of funding available, a description of the eligible projects, the project application deadline, and the criteria for prioritizing project funds as well as the mechanism for obtaining an application packet. A NOFA will be published in a newspaper of general circulation, published on the City of Utica Website, and, where feasible, mailed to the owner of record for eligible properties within the target area. Deadlines announced in the NOFA will be strictly adhered to and no late applications will be accepted. No priority will be given to applications received prior to the deadline.

b. *Application Process*

Applications must be received by UED no later than 4:30pm on the day of the application deadline. Applications submitted by mail must be postmarked no later than 1 day prior to the application deadline. Applications submitted late will not be accepted under any circumstance.

A fee of \$500.00 must be provided at the time of application. Application fees will be held in trust until project funding determinations are made. For projects which receive funding, the application fee will be applied to the owner's match obligation at the time of final reimbursement. A portion of the application fee will be used to cover fees associated with the project, including but not limited to filing fees for security instruments. Projects which do not receive funding will have their application fees refunded. Refunds will be made payable to the project applicant unless otherwise specified on the project application. If, for any reason, a project participant withdraws from the program following the development of the scope of work, the application fee will be forfeited. If UED is unable to disburse funds due to the failure of the owner to comply with the program requirements, the application fee will be forfeited. Forfeited application fees will be treated as program income.

Applications will be prioritized based upon the applications score following review against the Façade Program Funding Rubric. Façade Program Funding Rubrics are more fully described in Section 2(f) of this part. Finalized Façade Program Funding Rubrics for the designated target area will be completed prior to the release of a NOFA and attached to application packets.

Applications for projects involving a currently vacant building will not be accepted without proper documentation demonstrating that the building will be occupied no less than 30 days following the issuance of a Certificate of Completion. Documentation includes but is not limited to a signed one-year lease or, where the owner is the occupant, a viable business plan with commitments for all necessary funding for business costs.

c. Eligible Applicants

Applicants must be owners of commercial properties identified as eligible in the Slum and Blight Report for the target area who are intending to make exterior improvements to their property. Owners of vacant properties will be eligible so long as there they provided documentation demonstrating that the building will be occupied no less than thirty (30) days following the issuance of a Certificate of Completion. See Section 2(b) of this part for acceptable documentation.

Tenants will not be permitted to apply for funding but may, upon demonstration of consent, represent an owner throughout the application and project process. All project documents and agreements, either with the City or the contractor, must be signed by the owner in the presence of a notary public.

d. Eligible Properties

Only those properties identified as eligible in the Slum and Blight Report will be eligible to receive funding under the Façade Program

e. Eligible/Ineligible Project Costs

i. Eligible Project Costs include but are not limited to:

1. Exterior painting
2. Removing inappropriate or incompatible exterior finishes or materials
3. Restoring exterior finishes or materials
4. Recessing / reconfiguring exterior doors or entrances; new doors
5. Repairing or replacing windows
6. Signs (new, repairs or replacement)
7. Exterior building sign lighting
8. Display area lighting
9. Awnings (new, repairs or replacement)
10. Window boxes, permanent planters

* Eligible project costs not listed above will receive approval during the Scope of Work approval process

ii. **Ineligible Project Costs** include but are not limited to:

1. Work completed prior to project funding
2. Work complete prior to the issuance of a Notice to Proceed
3. Interior Improvements or improvements not seen from publically-owned space
4. Security systems
5. Non-permanent fixtures (including but not limited to outdoor patio furniture, temporary signs, movable lighting fixtures, etc.)
6. Business operational costs (including but not limited to inventory, display fixtures, working capital)
7. Stand-alone ADA Improvements
8. Internally-lit signs

* Ineligible project costs not listed above will be denied during the Scope of Work approval process. Reason for denial will be documented and explained.

f. *Application Evaluation*

Applications will be prioritized based upon the applications score following review against the Façade Program Funding Rubric. The Rubric will include but not be limited to:

- i. Completeness and accuracy of the Application
- ii. Impact of the project on the target area:
 - a. Visual prominence,
 - b. Blight mitigation,
 - c. Removal of vacancies, and
 - d. Historic preservation of significant structures.
- iii. Financial Viability of the Project including availability of leveraged funds
 - a. Project feasibility analysis
 - b. Documentation must be provided demonstrating owner's ability to cover project costs prior to reimbursement of Project Funds
 - c. Documentation must be provided demonstrating access to leveraged funds
 - d. Viability of the building's occupant will be a consideration in the determination of funding
 - e. Mortgage Position
- iv. Long-term use of the property
 - a. Compliance with Zoning or Appropriate Variances;
 - b. Potential for mixed use development; and
 - c. Commitment of viable business or tenancy for vacant space.

Finalized Façade Program Funding Rubrics for the designated target area will be completed prior to the release of a NOFA and attached to application packets.

2. Project Funding

a. *CDBG Funding Cap*

Façade Program funding will be capped at 75% of eligible project costs up to a maximum of \$22,500.

b. *Owner Contribution*

An owner receiving funds must provide financing for the remaining 25% of the project costs. In an instance where total project costs exceed \$30,000.00, owners must provide financing for all costs in excess of \$22,500.00.

Owner contributions may come from public or private sources. Public sources may not include additional funding from other City of Utica grant or loan programs. At least 25% of the overall project costs must come from a non-federal source.

Funds will only be disbursed upon documentation demonstrating that the owner expended the required matching funds in addition to expenditures for which the owner seeks reimbursement. Required reimbursement documentation is more fully explained under Section 5 of this part.

c. *Multiple Grants*

The City of Utica will not permit multiple Façade Program Grants on a single property, unless:

- i. The previous grant did not exceed \$22,500.00. In this case a grant will be permitted so long as:
 1. The total Façade Program Funding from all grants does not exceed \$22,500.00;
 2. The new grant is directed for improvements not covered during a previous grant(s); AND
 3. The property is compliant with all requirements associated with the previous grant(s);
OR
- ii. All obligations under the previous grant have been met and any compliance periods have been completed, so long as:
 1. The new funds will be used to address improvements that were not addressed during the previous grant; OR
 2. Improvements were of such a nature where, despite regular maintenance, normal wear and tear has caused significant deterioration

3. Required Agreements and Security Instruments

a. *Loan Agreement*

All participants receiving funds through the Façade Program will be required to sign a Loan Agreement for an amount not to exceed \$22,500.00. The loan agreement will outline the rights and obligations of both the City of Utica and the Borrower. The Loan Agreement constitutes a legally binding contract. The City of Utica cannot provide legal advice to any participant and as

such any questions participants have with regard to the agreement should be directed to their personal attorney.

b. Note and Mortgage

As a condition to loan, participants will also be required to sign a Note and Mortgage which will be filed with the Oneida County Clerk's Office following the submission of the request for reimbursement but prior to the disbursement of Program Funds. The Note and Mortgage will be for a three (3) year term. Façade Loans are deferred, forgivable loans and as such the principal amount of the loan will reduce by 1/3 on the anniversary date of the loan, so long as the owner complies with all project rules, regulations, and conditions. Determination as to whether or not the owner is in compliance will be made following the annual monitoring inspections. The owner will be notified of noncompliance through a Notice of Default and will be given a reasonable opportunity to cure said default. If an owner fails to cure, the remaining principal will become due and owing immediately and UED will take all necessary steps to collect.

c. Agreement between Owner and Contractor

The Agreement(s) for the improvements with the contract will be between the Owner and the Approved Contractor. The City of Utica will supply the boilerplate agreement in order to ensure that the agreement comports with all governing rules and regulations. The City of Utica in no way takes responsibility for any failures of the Contractor. Should the Owner and Contractor have any dispute regarding payment for work performed, warranty(ies) on work performed, or time to performer work, the City of Utica will not intercede and it will be the responsibility of the parties to seek any judicial intervention.

4. Construction Management

a. Scope of Work Development

The City of Utica will engage a project design/rehabilitation specialist to oversee the development of a scope of work for the project. The goal of the design/rehabilitation specialist is to ensure that all necessary work is identified and that the design and quality of the work is consistent with the goals for the target area. The design/rehabilitation specialist will work with the owner and UED staff to ensure that scope of work is appropriate for the project and addresses the needs of the owner. The final scope of work must be approved by UED staff.

b. Contractor Selection

Using the developed and approved Scope of Work the Owner will solicit no less than three (3) competitive bids for the project. UED Staff will be responsible for reviewing the bids to:

- i. There are no Conflicts of Interest;
- ii. The bids are reasonable and responsible;
- iii. The Contractors submitting the bids have signed and included the City of Utica Statement of Non-Collusion;
- iv. The bids are from contractors not on the state or federal Debarred Contractor Lists; and

- v. The bid cover only those improvements identified on the Approved Scope of Work.

Upon review and acceptance by UED of no less than three (3) competitive bids, the lowest responsible bidder will be awarded the project contract.

c. *Notice to Proceed*

UED will issue a Notice to Proceed with work when all pre-construction program requirements have been met. Pre-Construction program requirements necessary for the issuance of a Notice to Proceed include:

- i. Documentation of Leveraged Funds
- ii. Signed Loan Documents
- iii. Approved Scope of Work
- iv. No less than three (3) approved, responsible, reasonable bids
- v. A signed copy of the UED Approved agreement between the Contractor and Owner
- vi. Approval from Codes Department that all necessary Building Permits have been obtained and the Approved Scope of Work has been reviewed
- vii. Approval from UED Staff that all Zoning, Planning, and Scenic & Historic Obligations have been met
- viii. Documentation showing that the property is current on all applicable taxes

Upon issuance of a Notice to Proceed, UED Staff will set up and fund the Façade Program Project in the Integrated Disbursement and Information System (IDIS) to ensure that projects proceed in a timely manner.

d. *Construction Monitoring*

UED Staff will randomly monitor, no less than once (1), the construction phase of the Façade Program project to ensure that work is being performed in accordance with all applicable rules and regulations. Additionally, the Codes Department will conduct random monitoring of the Construction process in accordance with their internal policies and procedures to ensure that work is performed in accordance with applicable codes and the Building Permit.

In the event that the Contractor determines a Change Order is necessary the Contractor will complete the approved City of Utica Change Order Request Form. On the form the Contractor must provide a detailed explanation demonstrating the necessity of the requested change and the change amount requested. The Change Order will be reviewed by UED, the engaged rehabilitation/design expert and the Owner to determine whether or not the change is acceptable. A change will only be permitted where the Owner, UED and Codes approve the change. No work performed under the change order will be reimbursable if all aforementioned parties have not signed to approve.

e. *Construction Completion*

Upon completion of the Construction, the Codes Department will review the work performed. If the work performed is satisfactory, the Codes Department will issue a Certificate of Completion. No reimbursement of funds will occur without confirmation from Code's Department that work was completed in accordance with applicable Codes obligations.

Upon the satisfactory completion of the Construction phase of the Façade Program Project, the Owner will provide the Contractor with any remaining payments that are due and owing under the contract between the Owner and Contractor. Upon such payment, the contractor will release any liens he maintains on the property.

5. Disbursement of Funds

Upon the completion of all post-construction requirements identified in Section 4(e) of this part, the owner may submit a Request for Reimbursement. Requests for Reimbursement must include:

- a. A signed City of Utica Voucher;
- b. A Summary of Expenditures for which reimbursement is sought;
- c. Approved Bid/Budget Amount;
- d. Agreement between Owner and Contractor;
- e. Where applicable, signed change orders;
- f. Canceled Check(s) demonstrating payment for the full Contract amount;
- g. Documentation of a passing final inspection from Codes Department; and
- h. Documentation demonstrating that all applicable taxes are current

A Request for Reimbursement will only be processed where UED Staff, the CD Finance Administrator, and the Commissioner of UED have signed verifying that the Request is complete and appropriate. Funds will only be disbursed upon approval by the City of Utica Comptroller and in accordance with the policies and procedures of the Comptroller's Office.

6. Project Completion

Following approval of the Request for Reimbursement, the City of Utica will file the signed Note and Mortgage with the Oneida County Clerk's Office. UED will provide the Office of the Comptroller with the Loan Documents for the purpose of recording the loan.

Following confirmation of the Disbursement of Funds from the Comptroller's Office, the CD Finance Administrator will submit a voucher to the U.S. Department of Housing and Urban Development (HUD) for the associated IDIS Activity Number. Upon reimbursement of the City by HUD for the disbursed funds, UED Staff will take all necessary steps to complete the activity in IDIS. Completion of the activity must occur within thirty (30) days of the receipt of reimbursement to the City from HUD.

7. Long-Term Monitoring

a. Annual Monitoring

UED will annually monitor the Façade Program Projects for the duration of the term of the loan. Monitoring will occur within thirty days of the anniversary of the loan. During the monitoring UED will review the project using the Façade Program Monitoring Checklist. The projects will be monitored to ensure compliance with the following requirements:

- i. The improvements associated with the Project remain and are in good condition;
- ii. The Exterior of the building is free from Codes Violations or visible disrepair;
- iii. The building is occupied by a commercial tenant or entity and is being used in accordance with all applicable rules and regulations; AND
- iv. The property is current on all taxes.

Following the Completion of the Monitoring, UED Staff will:

- i. Where compliant:
 - a. Notify the Owner that the Annual Monitoring demonstrated compliance and in accordance with the loan agreement the principal will be reduced to [Specify reduced principal]; and
 - b. Notify the Comptroller to reduce the principal amount due on the loan in accordance with the loan documents
 - ii. Where non-compliant:
 - a. Verify with the Comptroller's Office the principal amount due on the loan;
 - b. Send a Notice of Default to the Owner outlining the specific default, the actions required to cure the default, the time frame in which cure must occur, and the amount owed if the Owner fails to cure;
 - c. Where the Owner fails to cure, UED will forward the project file to their attorney to begin legal proceedings to collect funds;
 - d. Any funds collected due to the default of the owner, either voluntarily or involuntarily, will be treated as CDBG Program Income
- ### b. Satisfaction of Loan Obligations
- i. Following the final annual monitoring visit, UED Staff will notify the Owner that the principal amount due on the loan has been reduced to \$0. Additionally, UED will include a signed, original Satisfaction of Mortgage with the notification. It will be the responsibility of the Owner to have the Satisfaction of Mortgage filed with the Oneida County Clerk's Office.