

Revitalizing Urban Commercial Areas (RUCAs) Program

| | <u>Current Program</u> | <u>Recommendations</u> |
|--------------------------------|---|--|
| Qualifying Areas | A total of 10 areas have been allocated funds during the first three phases of RUCA: Liberty Street, Washington Park, Cherry/Polo, Waughtown/Old Lexington, Ogburn Station, Peachtree/Waughtown, West Salem, King Plaza, Patterson/Glenn, and Old Greensboro/Barbara Jane. | Making the remaining RUCA III allocation available to all Tier I and Tier II areas and the following Tier III areas: Cherry/Indiana, S. Main St./Clemmonsville, Hawthorne/First, Parkway Plaza, East Winston, West End, Fourth/Burke, Cherry/North Point, 14 th /New Walkertown. Projects in the designated areas that exceed the minimum total project cost of \$20,000 may be considered and approved on an individual basis. |
| Qualifying Projects | Application for funding submitted on behalf of property owners by RUCA Coordinator. Applicant/borrower may be property owner or tenant. Property owner must sign paperwork permitting the improved property to serve as collateral for the tenant's RUCA loan. | Project applications submitted by property owner directly to Office of Business Inclusion and Advancement (BIA). Following staff approval and competitive bid process, applications are considered by the Mayor and City Council for project funding. Applicant/borrower must be the property owner. The City takes a lien position on the property being improved as security for all loans. Minimum Total Project Cost: \$20,000. |
| Additional RUCA Funding | | In the event that the scope of work broadens, the borrower can request City Council to consider an additional RUCA allocation. This request can only be made once per property. |
| Use of Funds | Building or site improvements addressing the aesthetics of the property. Improvements addressing building code compliance. Façade renovation or signage improvements that meet design guidelines for the area (if any). | <i>Eligible projects:</i> Restoration, repair or replacement windows (upper floor windows must be re-opened), doors exterior walls, cornices, eaves, parapets, chimneys or other architectural elements; exterior painting; awnings, marquees and related exterior lighting and electrical fixtures; masonry repair; removal of modern facades to restore vintage quality (slipcover facades must be removed); building signage that clearly identifies the business. Improvements (exterior or interior) addressing building code compliance and/or health and safety issues are eligible. Parking lot improvements and/or landscaping improvements if part of a larger property improvement plan. <i>Ineligible projects:</i> Non-conforming uses. Removal of historic details, blocking window openings, construction of slipcover facades, improvement of adult or gaming businesses, or property acquisition. Pre-development costs such as design fees and permit fees are eligible, but reimbursed only upon completion of the project. |
| Types of Assistance | <i>Low Interest Loans:</i> If the property owners do not have other funds, the City offers a Low Interest Loan of 50% of the total project cost. Interest rate of 3%. Low Interest Loans serve as the owner's investment in the project and make | Extend the length of repayment for the Low Interest and Matching Loans to 10 years. <i>Add Property Acquisition Loan (PAL)</i> that makes loan funds available to purchase commercial/industrial property within |

| | | |
|--------------------------------|--|--|
| | <p>the owner eligible for the Matching Loan. Low Interest Loan repayment begins three months after final disbursement with 5-year repayment period.</p> <p><i>Matching Loans:</i> Matching Loans for up to 50% of the total project cost are available to property owners who have other funds to invest in the project at 3% interest. Matching loans are deferred and forgivable.</p> <p>Matching Loan repayment is deferred for five years. If the property is maintained in good condition and the Low Interest Loan is satisfied in full, the Matching Loan shall be forgiven.</p> <p>Between the Low Interest Loan and Matching Loan, the entire project may be financed by RUCA assistance from the City.</p> <p>Maximum RUCA assistance per property: \$40,000. City Council may approve larger amounts at its discretion.</p> | <p>the areas approved for RUCA funding. PAL assistance is available for up to 50% of the purchase price with a maximum loan amount of \$100,000. Loan term is for up to 10 years at 3% interest rate. Repayment begins three months after final disbursement of Matching funds used towards property improvements, if applicable. If there are no Matching funds, repayment begins three months following the PAL closing.</p> <p>The borrower/new owner must invest an amount equal to the PAL towards RUCA eligible property improvements within one year of PAL closing. The new owner can apply for RUCA Matching funds to assist with the property improvements.</p> <p>If the approved improvements are not substantially complete as determined by the City within one year of PAL closing, the PAL is due and payable in full within 6 months.</p> <p>Applications must be approved by the Mayor and City Council. The application package includes details of purchase including all sources of funds and the re-development plan including the scope of work for property improvements and related use of funds.</p> <p>All existing RUCA guidelines related to Use of Funds and Selection of Contractor remain in effect.</p> |
| Selection of Contractor | Projects competitively bid. | <p>Per City Purchasing Guidelines, projects are competitively bid.</p> <p>All work performed must be properly permitted by City/County Inspections, if required.</p> <p>Projects over \$30,000 require a licensed General Contractor. Property owner cannot serve as the General Contractor or subcontractor on their own project.</p> |