

RESOLUTION NO.: R-2012-110

*Adopting the City of Columbia Façade Improvement Program*

ORIGINAL  
STAMPED IN RED

BE IT RESOLVED this 4th day of December, 2012, that the Mayor and City Council of the City of Columbia, South Carolina hereby adopts the City of Columbia Façade Improvement Program dated December, 2012 attached hereto. This program replaces and supersedes all previous programs heretofore used by the City.

Requested by:

Office of Business Opportunities

  
\_\_\_\_\_  
Mayor

Approved by:

  
\_\_\_\_\_  
City Manager

Approved as to form:

  
\_\_\_\_\_  
City Attorney

ATTEST:

  
\_\_\_\_\_  
City Clerk

Introduced: 12/4/2012

Final Reading: 12/4/2012

XI  
Façade Improvement Program  
December 2012

**11.1 Purpose:**

The Façade Improvement Program is designed to assist in the improvement, both economically and physically, of the City's business districts and commercial corridors. Generally, funds will be used towards repairs and improvements to the exteriors of buildings and land upon which they sit. (Amended by Ord. No. 93-59, 8/4/93, Sec. 1.)

**11.2 Definitions**

- (a) **Façade:** The front or clearly visible side of a building facing a public way or space.
- (b) **Property Improvement Standards:** All improvements must meet City standards including, but not limited to, completing the Plans Review process, obtaining a Certificate of Design Approval and adhering to Design Districts and Zoning Overlay requirements. The redesign and color scheme of an improvement project shall be consistent with the program's objective. The improvement work shall retain the architectural and historical value of the buildings. All codes which pertain to the improvements must be complied with by the applicant.
- (c) **Facade Committee:** A three (3) member committee established to assume the responsibility for final approval of improvement plans, loan requests and modifications. The facade committee shall consist of the following voting members: 1) Local AIA Certified Architect; 2) Banker – Commercial Lending; and 3) City Staff – Planning Division. A representative from the local business community shall also serve in an advisory capacity (non-voting).
- (d) **Fees:** Non-refundable fees that may be charged by the City Of Columbia as a part of administering the façade improvement program. These fees may include, but may not be limited to, application fees and credit reporting fees.
- (e) **COC - City of Columbia.**
- (f) **Target area:** From time to time, the City may target a specific geographical area, corridor, or business type for funding. Such a designation will be considered a target area. Target areas should be evaluated annually and should take into consideration target areas established by other City revitalization plans.

**11.3 Eligibility Criteria:**

- (a) Applicant must be a property owner or business owner leasing property in the target area.
- (b) Every applicant must demonstrate overall positive net worth and comply with financial underwriting criteria, which includes good credit. (Also see 11.6.)
- (c) Priority will be given to separate businesses within a contiguous area, and businesses contained in a single building may be considered on a per storefront basis.
- (d) Façade improvement funds may only be used for exterior areas.  
Façade improvements include:

Windows	Masonry/Carpentry Repairs
Doors	Repair/Install Architectural Detail (Cornice, Corbel, Frieze, Gutter, Downspout)
Awnings	Iron Bar Removal & Disposal from Windows and Doors
Paint	Storefront Remodeling
Lighting	Ornamental Fencing
Landscaping	
Security Cameras (see Section 11.3(g) below for additional requirements regarding cameras)	

- (e) Applicants or recipients of the Façade Improvement Program may also participate in the City's Commercial Revolving Loan Fund Program.
- (f) All applicants must agree to comply with all applicable Federal Regulations, including, but not limited to, Title IV of the Civil Rights Act of 1964, Executive Order 11246 concerning equal employment opportunity, and the Davis-Bacon Act. (Amended by Ord. No. 93-59, 8/4/93, Sec. 2)
- (g) Security Cameras
  1. Security cameras must be purchased as a part of an overall façade improvement project, with at least one other eligible improvement element listed in 11.3(d).
  2. Façade improvement funds can only be used towards the purchase and installation of security cameras. Maintenance costs are not eligible.
  3. The maximum amount of façade funds that may be allocated to the purchase and installation costs of cameras shall be ten percent (10%) of the total funds awarded to an applicant, not to exceed \$2,500.
  4. Applicants must sign an agreement which allows the City of Columbia Police Department to access footage upon request for official purposes for a period of time no less than the minimum term associated with funding.
  5. Security cameras must meet all equipment specifications required by the city.
  6. Applicants who have previously received, or may be eligible in the future for, City of Columbia grant or loan funds for security cameras will not be allowed to apply façade dollars for the purchase and/or installation of security cameras under the façade improvement program.

**11.4 Fees, Term, Interest and Limit**

This section establishes the conditions under which the COC will award loan funds to be used to improve the façade of the property.

- (a) The loan will be advanced by the COC to the borrower as provided herein and will be secured by a mortgage ("mortgage") and note ("note") and any other security agreement as deemed appropriate by the City's staff and legal department, unless otherwise noted.
- (b) Project Approval by City Planning or other applicable City divisions is required prior to advancing funds to the Applicant.
- (c) Payments required under the mortgage or security agreement must be made by the borrower on the date specified, even though the proposed improvement may not be completed.
- (d) Where funds are not advanced, payment will be made only after inspections by COC staff show improvements are being made as proposed and approved by the facade committee. All lien waivers, payrolls and other items, as required by COC, must be properly documented and presented to COC prior to release of any payment by COC.
- (e) The rate of interest charges on City of Columbia Façade Improvement Loans will be set at one (1 %) below the current money center prime rate quoted in the Wall Street Journal. This rate will change from time to time with changes in the prime rate. These changes will be reflected in the City's rate of interest on the last day of the month in which the change in prime rate occurs. In no event shall the interest rate charge be less than three percent (3%) annually nor shall it be greater than the maximum interest rate allowed under state law.

- (f) Terms may be up to a fifteen (15) year amortization.
- (g) The maximum loan amount per storefront façade shall be \$40,000. The maximum loan amount for a targeted area will be determined based upon available funds.
- (h) A non-refundable application fee of \$100 and separate credit report fee shall be charged.

### **11.5 Application Requirements**

- (a) An applicant shall gather all information requested by the City to have a complete Application Package. Only completed Application Packages will be submitted to the Façade Committee.
- (b) Loan Applications must include the following:
  1. Business Financial statements for the past three (3) years and interim statements for the current year submitted by an applicant showing the applicable date of the information given, and signed and certified by the applicant or his accountant. The COC may require an audited statement.
  2. Federal Tax Returns for the past three (3) years and interim statements for the current year must be submitted for all existing businesses.
  3. A detailed projection of earnings for the next three (3) years must be submitted by the applicant.
  4. If an Applicant does not have three (3) years of tax returns or financial statements, the COC shall require personal financial statements of the principals in the business.
- (c) Prior to submitting applications, a complete description of the improvement work, drawings and specifications must be submitted.

### **11.6 Review of Application Package (Underwriting Criteria)**

Before submitting an Application Package to the Façade Committee, City staff will review the package for the following underwriting criteria:

- (a) Adequate assurances are given that the loan can be repaid pursuant to proper terms and conditions based on review of financial statements and analysis of cash flow.
- (b) Adequate assurance that the loan is to accomplish an improvement which is warranted in light of current market conditions and an analysis of past performance and future projections.
- (c) The applicant's credit, capacity and collateral is adequate.
- (d) The business data provided by the application shows the business as solvent, efficient and or profitable.
- (e) The applicant demonstrates adequate funding to complete the proposed improvement project.
- (f) The proposed improvements meet any applicable federal guidelines. It is the responsibility of city staff to ensure that all improvements funded with federal funds meet the appropriate federal guidelines prior to awarding funds.
- (g) No conflicts of interest or perceived conflicts of interest exist preventing award.

Upon fulfilling the underwriting criteria, the completed Application Package shall be submitted to the Façade Committee for award consideration.

### **11.7 Façade Committee**

- (a) A three (3) member committee shall be established to assume the responsibility for final approval of improvement plans, loan requests and modifications. The facade committee shall consist of the following voting members: 1) Local AIA Certified Architect; 2) Banker – Commercial Lending; and 3) City Staff – Planning Division. A representative from the local business community shall also serve in an advisory capacity (non-voting).

- (b) The term for a façade committee voting member shall be three (3) consecutive years.
- (c) A façade committee voting member is not permitted to serve consecutive terms.
- (d) Appointment of non-voting façade committee members shall be based on the current program's target area.

**11.8 Inspection of Premises and Records**

City staff shall have the right to inspect, at reasonable hours, any facilities, equipment, premises, books, and records pertaining to the processing of a loan or grant application or in the administration of a loan or grant to any business or recipient under this program.

**11.9 Default**

- (a) Delinquency is defined as:
  - 1. Past due – up to 30 days late,
  - 2. Seriously delinquent - 90 days late; and
  - 3. Default - 180 days late.
- (b) Past due loans will be monitored by the Loan Servicing Agent, if applicable, and/or City staff. Borrowers will be contacted to collect payment.
- (c) If a borrower should become seriously delinquent, the following actions may be taken, with the approval of the Façade Committee:
  - 1. Postpone, defer or otherwise modify the loan terms for a specified work-out period;
  - 2. Cancel all or a portion of the debt in consideration of borrower's transfer of collateral to the lender in lieu of foreclosure.
- (d) Loans more than 180 days past due are in default. In cases where it is determined that funds cannot be collected, foreclosure action may be initiated with the approval of the Façade Committee. Should the Façade Committee approve staff's recommendation to pursue legal action, the file information will be forwarded to the city's legal department to take the appropriate action.

**11.10 Façade Forgivable Loan:**

A forgivable loan is a loan in which a percentage of the amount owed is forgiven annually, and in which repayment is not required unless the recipient defaults on a condition of the loan.

**Unless otherwise noted in the following sections, all prior regulations  
from Section XI remain applicable.**

**(a) Terms, Interest, Fees and Limits**

- 1. Terms for the forgivable loan are set annually based upon available funding and amortized under which a specific percentage of the forgivable loan amount is "forgiven" each year.
- 2. The amount of interest is zero percent (0%).
- 3. The maximum forgivable loan amount per façade shall be \$20,000 based upon available funds.
- 4. An Application Fee of \$100 shall be charged.
- 5. The maximum amount that may be allocated to the purchase and installation costs of security cameras shall be ten percent (10%) of the total funds awarded, not to exceed \$2,500.
- 6. The Applicant may be required to provide a match based upon the availability of funds and economic indicators associated with a targeted corridor.

**(b) Payment Requests**

1. No payment request will be considered for unapproved work.
2. The borrower will complete all improvements in accordance with plans and/or specifications as approved by the Façade Committee. Any changes to the plans and/or specifications must be approved in writing, by City Staff.

**(c) Inspection of Project:**

1. Upon receipt of all Pay Requests, the City shall obtain confirmation from City Building Inspector and/or similar authorized official that all work reflected by the Pay Request has been completed and meets City Code.
2. A final Inspection of Premises shall be conducted and a copy of the Inspection Card shall be submitted with the final pay request for the project. Only an Inspection receiving a rating of "Satisfactory" will be accepted and the final pay request reviewed, approved and processed.

**(d) Default:**

1. Repayment occurs only upon Default. If the Applicant closes, sells or re-names the location for any reason, to include foreclosure and/or any other legal action, prior to the maturity date of the forgivable loan or if the improvements are not properly maintained for the specified time period, the forgivable loan will be considered in default. The COC has the right to request immediate repayment of the pro-rated amount of the forgivable loan balance, payable within thirty (30) days.

**11.11 Façade Grant:**

A grant is an award in which repayment is not required unless the recipient defaults on a condition of the grant.

**Unless otherwise noted in the following sections, all prior regulations from Section XI remain applicable.**

**(a) Terms, Interest, and Limits:**

1. The maximum grant amount per façade shall be \$20,000 based upon available funds.
2. The Applicant may be required to provide a match based upon the availability of funds.

**(b) Failure to Meet Grant Requirements:**

If the Applicant closes, sells or re-names the location for any reason, to include foreclosure and/or any other legal action, prior to the Maturity Date of the forgivable loan or if the improvements are not properly maintained for the specified time period, the COC has the right to request immediate repayment of the entire amount granted.