



CHARLEVOIX

MAIN STREET DDA

Downtown Housing Grant Program Guidelines

Charlevoix Main Street DDA
210 State Street
Charlevoix, MI 49720

Uses: Downtown Housing (residential)

Eligibility: 50% private match of total interior rehabilitation costs

Funds: Up to \$15/square foot (\$25,000 maximum)

PURPOSE

The Charlevoix Downtown Development Authority (DDA) was formed pursuant to the Michigan statute, specifically realizing that it is in the best interest of the public to halt property value deterioration, to eliminate deterioration, and to promote economic growth and vitality within the DDA district.

The Downtown Housing Grant program was specifically created with the purpose to incentivize the expansion of housing options – specifically apartment units, condo's, or loft style apartments – in the DDA district; both of which support initiatives clearly identified in local strategic planning documents such as the City of Charlevoix Master Plan (2016), Downtown Charlevoix Alley Corridor Improvement Plan (2017), and the Downtown Plan (2018).

Some goals in the Master Plan that influenced the creation of this program include the following:

- Maintain a diverse, regional economy that supports sustainable year-round business development and enhances Charlevoix as a tourism and second home destination.
- Promote diverse and viable housing options by encouraging developers through affordable housing incentives and flexible Zoning Ordinance requirements.
- Encourage higher density, infill development and/or redevelopment consistent with surrounding land uses and neighborhood character:
- Provide incentives for higher density developments in the downtown area.
- Encourage economic sustainability and growth in downtown Charlevoix by supporting the Michigan Main Street program as a way of encouraging economic development and providing tax credits for downtown redevelopment projects.

The long-term goal of the Downtown Housing Grant program is to grow and expand the inventory of housing options in Charlevoix. This in turn will help create a variety of housing options and address the major shortage of affordable housing in the region. The premise is that the program promotes downtown living, increases spending power and economic development within the District and efficiently uses historic buildings.

PROGRAM OBJECTIVES

- To encourage the full utilization of downtown buildings.
- To reduce the rate of underutilized square footage in the downtown, with a strong focus on housing.
- To provide financial assistance to property owners in overcoming the barriers associated with the reuse of historic buildings.
- Generally, to promote and encourage continued growth and expansion of business to support the purposes of the DDA and Main Street program.
- To increase year-round economic activity with more year-round residents living in our walkable downtown.

ELIGIBILITY

- Properties must be located within the legal boundaries of the DDA to be eligible **[See Attachment One: Map]**.
- The program is open to property owners.
- Property Owners must also participate in the Primary Residence Deed Restriction program (**Attachment Two: Deed Restriction Program Sheet + Attachment 3 Sample Deed Restriction Language**). **The Deed Restriction Program was initiated to address the need for year-round housing. The program will help balance the housing market that is faced with a growing percent of the existing housing stock that are summer homes or vacation rentals.**

PROGRAM REQUIREMENTS

Applicants will be required to complete an application packet provided by the DDA. The following program guidelines also apply:

- Projects must maintain or create housing to be eligible for program funding.
- Program funds will be allocated at up to \$15.00 per square foot of rehabilitated space, with a maximum of \$25,000 per unit for eligible properties.
- Program funds can be utilized for renovation and/or construction costs, with an emphasis on state and local Building, Fire, Life & Safety codes.
- Applicants must provide proof that all property taxes are current and that the subject property is properly insured.

- Applicants must provide detailed project financing and cost information and provide proof in the form of a bank commitment letter(s) that all private financing is in place, if applicable.
- Annual program funding will be limited, with projects awarded as funds are available. The DDA will make final determinations on individual project eligibility and can reject any application at its discretion. Applications will be reviewed on a first-come, first-serve basis.
- At least one licensed contractor must submit a quote.
- Funding for projects undertaken prior to DDA review and written approval will not be considered.
- All required municipal or governmental permits must be obtained prior to applying for this incentive. See **Attachment Three** for a quick guide to permits and Site Plan Review procedure.
- Funds will be provided upon satisfactory completion of work. Executed contracts and/or contractor invoices must be presented prior to disbursement of program funds, and in a form satisfactory to the DDA. Proof of payment will need to be provided in a timely manner upon receipt of funds.
- Construction must commence within 120 days of approval for funding and be completed within 1 year after construction start date. Modifications of these time periods are at the discretion of the DDA - extensions may be granted under extraneous circumstances. Applicants will be in default if rehabilitation is not undertaken and completed under these timeframes, in which event, will disqualify applicants from reimbursement.
- Applicant and the DDA shall enter into a Grant Agreement in the form of **Attachment Four**.
- Property Owners must participate in the Primary Residence Deed Restriction program. **The Deed Restriction Program was initiated to address the need for year-round housing. The program will help balance the housing market that is faced with a growing percent of the existing housing stock that are summer homes or vacation rentals.**

ELIGIBLE IMPROVEMENTS & USES OF PROGRAM FUNDS

Remodeling, renovation, rehabilitation, installation, and additions to the interior of existing buildings or for new construction/additions are eligible for grant funds. The funds are for modification and improvement of the building and not for normal maintenance or repair. Some specific improvements for which grant funds may be used include:

- Interior demolition or site preparation costs as part of a comprehensive renovation project.
- Permanent building improvements, which are likely to have universal functionality.

Items including but not necessarily limited to:

- Electrical / wiring
- Plumbing
- Lighting
- Air Conditioning / Heating
- Flooring
- Improvements to meet state and local Building, Fire & Life Safety codes.

INELIGIBLE IMPROVEMENTS & USES OF PROGRAM FUNDS

Monies spent on the following items will not count toward the 50% match amount.

Program funds **cannot** be utilized for any of the following uses:

- Property acquisition costs
- Paying off existing debt
- Site plan, building or sign permit fees
- Environmental consulting, testing, or actual abatement/cleanup costs
- Property appraisal costs, legal fees, or loan origination fees
- Furniture, fixtures, equipment and personal property such as couches, tables, shelving, appliances, etc.

APPLICATION AND SELECTION PROCESS

Applications may be obtained in person in the offices of the Charlevoix Main Street DDA, 210 State Street, Charlevoix, MI, 49720, or by calling (231) 547-3257.

DDA staff will screen applicants and determine initial eligibility. At that time, the estimated scope of work will be discussed. The pre-application process will also include a site visit by DDA staff. If the applicant and staff representative reach consensus that the project should move forward, the project will be presented to the DDA/Main Street Economic Vitality Committee for preliminary approval using the rating scale found in **Attachment Six**.

The Economic Vitality Committee will provide input, make suggestions to scope of work and approve or deny individual projects. Upon preliminary approval by committee, the project will be submitted to the DDA Board of Directors for final approval. Upon approval of the DDA Board of Directors at a regularly scheduled monthly meeting, an Agreement will be executed and the project can proceed.

Note: The Charlevoix Downtown Development Authority shall be held harmless for any disputes that may arise under any contracts between the applicant and contractor.

In addition to the Upper Floor Housing Grant program application, applicants shall submit the following items in order for the DDA to make an appropriate decision on an application:

- Sketches/Renderings/Layout of interior/approved site plan
- Financial Statements and/or pro-forma
- Itemized cost estimates
- All required permits

RIGHTS RESERVED

The Charlevoix DDA reserves the right to reject any and all applications. The specific program guidelines herein are subject to revision or amendment by the DDA Board of Directors. The DDA may discontinue this program at any time.

FINANCING GUIDELINES

Applicants must demonstrate proof of 50% in matching funds, whether owner equity or private financing. Program funding will be in the form of a reimbursement to the property owner/applicant, upon satisfactory proof that invoices and all other construction costs have been paid.

DEFAULT AND REMEDY

A default in the agreement occurs when the applicant fails to commence and/or complete the project in a timely fashion, or has expended or seeks reimbursement for ineligible costs. In such an event, all funds which have been paid to applicants shall be immediately refunded to the DDA.