

Main Street Odessa Façade Forgivable Loan Program

The purpose of the Main Street Façade Forgivable Loan Program is to improve the exterior appearance of building in the designated Main Street area. In some cases, the program can also fund improvements necessary to bring the structure into compliance with City of Odessa building codes. The program encourages the retention and/or restoration of the building facades to an appearance consistent with the era in which the buildings were constructed.

The Program is funded by the City of Odessa with Community Development Block Grant (CDBG) funds provided to the City by the U.S. Department of Housing and Urban Development (HUD). HUD regulations must be followed in order to participate in the Main Street Façade Forgivable Loan Program.

PROPERTY ELIGIBILITY REQUIREMENTS -The applicant shall comply with the following requirements:

1. The loan applicant shall be the owner of record for the property. Ownership shall be by warranty deed or deed of trust.
2. The building shall be located in the designated Main Street Odessa target area.
3. An owner of more than one eligible property may apply for a loan for each property, but each shall be considered as a separate loan.
4. All property taxes shall be current. There shall be no federal, state, city or other tax liens against the property.
5. There shall be no encumbrances against the property other than those for purchase and improvement of the property and structures located on the property.
6. All improvements necessary to make the property and building(s) safe for human entry shall have been completed prior to expenditure of program funds for eligible improvements.
7. Property improvements that are in progress or completed shall not be eligible for loan consideration.
8. Applicants shall submit proposed improvements to Main Street Odessa for architectural and compatible use review prior to receipt of loan approval. Applicant is also responsible for submitting proposed improvements to appropriate City of Odessa offices for review of compliance with applicable City codes and with obtaining required permits.

ELIGIBLE ITEMS - The following items are eligible for funding:

1. Façade improvements that are permanent. Façade is defined as exterior elements of a building that are visible to pedestrians and motorists when passing the building. Excluded is signage except to restore architecturally significant or unique existing signs to structurally sound and/or safe condition, not to include name or decorative changes. Fabric or other canopies not of a permanent nature are also excluded.
2. Building code improvements as required by the City of Odessa to make the building safe for human occupancy and use. Improvements necessary to make the structure safe for human entry are excluded. Also excluded are improvements to allow use of a building for a specific use (for example, conversion of retail space to a restaurant). Code improvements shall be paid at 50% of the cost of the work up to the maximum grant allowed.
3. Roof repairs/replacements shall be paid at 50% of the cost of the work up to the maximum grant allowed.
4. Loan funds shall not be used to finance parking improvements, walkway reconstruction except at entryways under the cover of the main structure, or improvements that are purely decorative in nature.

LOAN CONDITIONS - The following shall apply to all loans:

1. The maximum loan amount shall be determined at beginning of each fiscal year based on amount of available funds. To maximize use of the funds, priority shall be given to borrowers who leverage loan funds with those from other sources.
2. The interest rate charged to borrower is 0%.
3. Duration of the loan shall be 5 years during which time improvements made with loan funds shall be maintained. Loan amount will be forgiven at a rate of 20% per year.
4. Should improvements be altered, destroyed or non-maintained during the 5 year period, Main Street Odessa and/or the City of Odessa may, at their discretion, call for repayment of the loan amount not forgiven at that time.
5. If the building with improvements is sold within the 5 year period, the obligation to maintain improvements will pass to the new owner and seller must inform buyer of this obligation.
6. Applicant shall submit a complete application to Main Street Odessa including proof of ownership along any other documents as may be required by the program.
7. Applicant will commit to a three-year membership with Main Street Odessa with the first year's fee to be paid at time of application.
8. The borrower shall agree to allow the City of Odessa and Main Street Odessa the right to inspect or arrange for inspection all work to be paid for under the Façade Forgivable Loan Program. Inspection will determine if the work is of good workmanlike quality and in accordance with the work specifications agreed upon.

9. Funds will be released upon receipt of inspector's acceptance of work, required paperwork from contractor and receipt of invoice by Main Street Odessa from borrower. Invoice will be processed with due haste and check will be made payable jointly to borrower and contractor.

OTHER CONSIDERATIONS

1. Proposed improvements for which loan funds are requested shall be reviewed to ensure that applicable environmental and historical preservation requirements of the U.S. Department of Housing and Urban Development and the Texas Historical Commission are met.
2. Federal wage rates (Davis-Bacon) shall apply to all projects over \$2000 in total cost.
3. Conflict of interest regulations and requirements of the City and HUD will be enforced.
4. Contractors will be required to present proof of general liability insurance of a minimum \$100,000 value.
5. Borrower must present three bids for work to be done or show an effort has been made to secure three bids.
6. Work shall start within thirty (30) days from the date contracts are finalized and shall be completed within one hundred twenty (120) days from start date. Failure to meet these dates may be cause for cancellation of loan. Extension may be writing to Main Street Odessa.
7. All rehabilitations, preservation and/or restorations work shall comply with all federal, state and local laws, regulations and ordinances. All terms and conditions of the Community Development Act of 1974 and its amendments shall be complied with and will be in full force.
8. The Façade Forgivable Loan Program shall be administered by the Community Development Department of the City of Odessa in conjunction with Main Street Odessa. A review committee comprised of representatives of Main Street Odessa and the City of Odessa shall make the final decision as to loan approval.