

City of Whitewater



Commercial
Façade Loan
Program

Manual & Application

Whitewater Community Development Authority
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Commercial Façade Loan Program

Whitewater Community Development Authority



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Forward

The City of Whitewater was presented with an Industrial Development Grant from the Farmers Home Administration (FmHA) on July 25, 1992. The grant was used to create a revolving loan fund to rehabilitate building facades in the central business district. Based on the success of that program, the CDA decided to commit \$50,000 of its own funds to a similar program for commercial building facades on major arterial streets elsewhere within the city limits. In 1999 these two funds were combined into a single Façade Loan Program.

The overall purpose of improving the facades of commercial buildings is to increase retail traffic and thus to preserve and enhance the economic viability of Whitewater's commercial districts. But an equally important goal is to help create a community environment which is attractive to new industry. This program will enhance Whitewater's success in improving the appearance of commercial districts and attracting new industry to the city.

This manual contains the policies which have been adopted to govern the use of the Commercial Façade Loan Program.



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Section 1. Administration

1. Administration

1.1. Program Roles

- 1.1.1. CDA. The CDA will provide financing for technical assistance, advertising, forms and accounting necessary to ensure the proper functioning of this program.
- 1.1.2. CDA Staff. CDA Staff will interview all applicants to prepare application forms and the information necessary to qualify for and receive the business loan.
- 1.1.3. Façade Loan Committee. The Façade Loan Committee is composed of the seven member CDA Board of Directors. The purpose of the Committee is to review and rank all loan applications and to resolve complaints and disputes within the program.

1.2. Meetings.

Meetings of the Façade Loan Committee will be held as needed at the offices of the Whitewater Community Development Authority or at any other location designated by the Façade Loan Committee.

1.3. Records.

The CDA office shall maintain records of Commercial Façade Loan Program activities including minutes of the Façade Loan Committee, minutes of the CDA Board of Directors, loan applications and related documents, and other business matters. All individual project files will, to the extent possible, be maintained as confidential records.

Each project file will contain some or all of the following appropriate documents:

- completed application with drawings and signed consent to release information;
- credit report or letter of recommendation from bank, if required by the Façade Loan Committee;
- contractor bids;
- record of property taxes;
- truth in lending disclosure;
- loan amortization schedule;



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- real estate mortgage;
- mortgage note;
- title abstract;
- warranty deed;
- declaration of business purpose;
- continuing guarantee;
- authorization to loan terms and conditions;
- borrower sweat equity agreement;
- borrowing resolution;
- fixture disclaimer and landlord permission;
- financial statements where applicable;
- lien waivers;
- photographs (before and after);
- minutes of the Façade Loan Committee and CDA Board of Directors; and/or
- other documents as deemed necessary by the Façade Loan Committee.



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Section 2. Eligibility Considerations

2. Eligibility

2.1. Eligible Area.

In order to be eligible for Façade Loan assistance, the commercial building must be located within one of Whitewater's commercially-zoned districts (i.e., B-1, B-2 or B-3 zones).

2.2. Eligible Applicants.

Applicants may be either owners or tenants of commercial buildings in the areas noted above.

2.3. Eligible Activities.

The general purpose of the Façade Loan Program relates only to the facades (defined as the visible exterior of the building and the physical structure that supports it) of buildings in the City of Whitewater's commercial districts. Project elements will be reviewed by the Façade Loan Committee for compliance to this goal.

Examples of eligible activities include:

- awnings which DO NOT incorporate advertising;
- painting of building exterior;
- cleaning and repair of masonry;
- exterior lighting;
- handicapped-accessible entrances;
- repair or replacement of doors or windows;
- repair or reconstruction of exterior walls;
- restoration of original architectural details;
- addition of rear entrances; and
- architectural services.

Repairs to structural elements, roofs, and other non-visible building elements will be eligible only when related to simultaneous façade renovation work. Façade Loans may only be used for demolition when a new building is constructed on the property. Improvements not listed are subject to review by the Façade Loan Committee. Except for architectural services, Façade Loan funds may not be applied to costs already incurred prior to loan approval.



Section 3. Loan Terms and Conditions

3. Loan Terms and Conditions.

3.1. Loan Terms

The maximum term for any Façade Loan will be seven (7) years. Loan terms will be negotiated by the CDA Director with input from the Façade Loan Committee. Loans may be amortized over a greater period of time with a final balloon payment.

3.2. Loan Amount.

The maximum amount of any Façade Loan will be fifteen thousand dollars (\$15,000.00) *per eligible building*, and the loan must be applied to the building for which it is approved. If a new Façade Loan is written for further improvements to a building on which there is an outstanding Façade Loan, the combined balance of the loans will not exceed fifteen thousand dollars (\$15,000.00). No Façade Loan will be written for an amount which exceeds the cost of improvements made to the building to which it applies. There is no limit to the number of Façade Loan any individual may receive, either on a specific building (provided the total outstanding balance does not exceed fifteen thousand dollars) or individually. Loans are subject to the availability of funds in the Façade Loan Program.

3.3. Interest Rate.

The rate of interest on all Façade Loans will be four percent (4.00%).

3.4. Prepayment.

There is no penalty for pre-payment of a Façade Loan.

3.5. Collateral.

The CDA will secure a mortgage interest as collateral. This mortgage may be subordinated to private-sector lending at the discretion of the Façade Loan Committee, and provided there is sufficient value in the property to reasonably protect the CDA's investment.

3.6. Non-Discrimination.

No Façade Loan recipient may discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or



handicap.

3.7. Default.

In the event that a Façade Loan recipient fails to make payment of principle and/or interest within the first thirty (30) days of a ninety (90) day default period, the CDA will notify the Façade Loan recipient in writing of the potential for a default, the action required to avoid a default, and a date, not more than sixty (60) days from the date of the notice, on which payment must be received. In the event the Façade Loan recipient does not carry out the action required by the CDA within the specified time period, this action is considered a default. The Façade Loan recipient will be notified in writing by the CDA.

In the event of a default, all sums due or owing to the CDA shall, at its option, become due and payable, and may be subject to a default rate of eight percent (8.00%).

3.8. Amendment.

Any amendment to the Façade Loan agreement requires the written agreement of both the CDA and the Façade Loan recipient.

3.9. Downtown Design Guidelines Requirement.

Any project funded in part by a Façade Loan, and located within the downtown district, must comply, to the extent feasible, with the Secretary of Interior's Standards for Rehabilitation, attached as Appendix A to this Façade Loan Program Manual. The project must also comply with all applicable City of Whitewater zoning ordinances and other criteria in force at the time of approval.



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Section 4. Application Procedures

4. Application Procedures.

4.1. Discussion of Requirements.

Prior to submitting an application, the applicant shall discuss the program with the CDA Director to determine eligibility and the availability of funds. The CDA Director shall assist the applicant, as is reasonable necessary, in completing the application. All financial information shall be kept in a secure location with limited access only by authorized personnel.

4.2. Timing.

Applications will be accepted continuously provided funds are available.

4.3. Loan Application

All applicants must complete a standard application form and submit all required attachments. A copy of the application form and a list of attachments is included in this manual as Appendix B.

4.4. Review Process.

4.4.1. Staff Review. The CDA Director or a designee will review the application and supporting material. Any missing information will be supplied and all responses will be verified prior to forwarding the application to the CDA Attorney.

4.4.2. Attorney Review. The CDA Attorney will review the application and supporting material and prepare a legal opinion loan review for the Façade Loan Committee.

4.4.3. Façade Loan Committee Review. The Façade Loan Committee will review the application to determine final eligibility, appropriateness of the loan amount requested, suitability of the proposed work, and project impact. The Façade Loan Committee may approve the loan, recommend approval with changes, request additional information prior to a consideration for approval, or disapprove the application.

4.5. Notice of Approval or Disapproval.



The CDA Director or designee will contact the applicant following the decision of the Façade Loan Committee to provide notification of the Committee's decision to approve or disapprove the loan.



Section 5. Distribution of Funds.

5. Distribution of Funds.

5.1. Loan Closing.

On the date of the loan closing, the CDA Director or designee will meet with the applicant to review and sign all documents related to the closing of the loan, explain the repayment requirements, and obtain any required documentation. A list of required documentation is included in Section 1.3 of this Façade Loan Program Manual.

5.2. Loan Disbursement.

Unless otherwise specified by the Façade Loan Committee, the loan funds will be provided in a single check provided to the Façade Loan recipient at the time of closing. The Façade Loan recipient will be responsible for paying all parties contracted to perform any part of the rehabilitation work.



Section 6. Discontinuation and Amendment

6. Discontinuation and Amendment

6.1. Discontinuation of the Façade Loan Program.

If the Façade Loan Program is discontinued, all program funds will revert to the Whitewater CDA to be used for economic development purposes.

6.2. Amendment of the Façade Loan Program Manual.

The CDA may, at any time, amend the Façade Loan Program Manual in order to provide for changes in the operation of the program. Amendments to the manual must be approved by a majority of the members present at any regularly scheduled meeting of the CDA Board of Directors.



Appendix A

The Secretary of the Interior's Standards for Rehabilitation

The following standards are to be applied to rehabilitation projects in a reasonable manner, taking into consideration their economic and technical feasibility.

1. Every reasonable effort shall be made to provide a compatible use for a property which requires minimal alteration of the building, structure, or site and its environment, or to use a property for its original intended purpose.
2. The distinguishing original qualities or character of a building, or a site and its environment shall not be destroyed. The removal or alteration of any historic material or distinctive architectural features should be avoided when possible.
3. All buildings, structures, and sites shall be recognized as products of their own time. Alterations that have no historical basis and which seek to create an earlier appearance shall be discouraged.
4. Changes which may have taken place over the course of time are evidence of the history and development of the building, structure, or site and its environment. These changes may have acquired significance in their own right, and this significance shall be recognized and respected.
5. Distinctive stylistic features or examples of skilled craftsmanship that characterize a building, structure or site shall be treated with sensitivity.
6. Deteriorated historic features shall be repaired rather than replaced, wherever possible. In the event replacement is necessary, the new material should match the material being replaced in composition, design, color, texture, and other visual qualities. Repair or replacement of missing architectural features should be based on accurate duplications of features, substantiated by historic, physical, or pictorial evidence rather than conjectural designs or the availability of different architectural elements from other buildings or structures.
7. The surface cleaning of structures shall be undertaken with the gentlest means possible. Sandblasting and other cleaning methods that will damage the historic building materials shall not be undertaken.
8. Every reasonable effort shall be made to protect and preserve archeological resources affected by, or adjacent to any project.
9. Contemporary design or alterations and additions to existing properties shall not be discouraged when such alterations do not destroy the significant historical, architectural, or cultural material, and such design is compatible with the size, scale, color, material, and character of the property, neighborhood, or environment.
10. Wherever possible, new additions or alterations to structures shall be done in a manner that if such additions or alterations were to be removed in the future, the essential form and integrity of the structure would not be impaired.



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Application

Project Timeline		Project Financing	
Application Date		Total Project Cost	
Plan Board Review		Owner/Tenant Funds	
Begin Construction		Facade Loan Request	
Finish Construction		Other Financing	
Provide a list of the contractors you will be using and the amount of the bid for the work they will perform.		Source(s)	
		Appraised/Assessed Value of Property	
		Amount of Mortgages, Liens, or other debt against this property. Identify by lender and the amount of the debt owed to each.	
		Are there delinquent property taxes owed? If yes, explain.	
		Property insurance carrier and amount of insurance carried.	

Attachments

1. Site plan – This is required only for free-standing buildings.
2. Floor plan – Include a floor plan showing the dimensions of the building and locations of all walls, doors, windows, etc.
3. Photos – At least one color photograph of each visible building façade must be attached. Photos should be taken directly facing the building (not at an angle) and show the entire façade. Include photos of all visible sides, even if no work is proposed.
4. Drawings of the proposed renovated building façade – Include scale drawings of the proposed building façade showing the locations of all windows, doors, awnings, signs, and other building features.
5. Color swatches – Include swatches of the colors to be used for all exterior painting and awnings. Submit a color drawing of the building, or annotate a black and white drawing to identify the locations of the various colors to be used.
6. Other attachments – The CDA may require additional information as necessitated by the circumstances of the proposed Façade Loan project.

