



Vacant Building Rehabilitation Program

Guidelines

(May 15, 2017)

Introduction:

The Albany Community Development Agency (ACDA) developed the Vacant Building Rehabilitation Program (VBRP) to create a fund for the rehabilitation of vacant residential properties as part of the City's vacant and abandoned property initiative. The Program will target properties that are located in neighborhoods with high numbers of vacant and abandoned buildings. Residential properties owned by individuals, Albany County Land Bank and the Albany Community Development Agency will be eligible for funding. The effects of this program will be immediate and sweeping for the City's downtown communities and neighborhood plan areas as well as for the residents who live in them. This funding will enable the renovation of significant housing stock, bring distressed City blocks back to life, increase surrounding property values, create local construction jobs, and dramatically enhance local quality of life.

The Program:

ACDA will offer financial assistance in the form of need-based deferred loan and construction financing to large or small contractors/property owners who wish to take on projects to redevelop vacant buildings. Gap financing of up to \$50,000 per building will be provided in the form of a grant/forgivable loan for construction rehab assistance for vacant properties in the City of Albany. Through a formal contract with ACDA, the qualified property owner will be responsible for bringing the building back up to code and redeveloping the property back to active use. ACDA will monitor projects assisted under the Vacant Building Rehabilitation Program for the duration of construction and at least five years after construction completion. Additional federal funding from ACDA may also be available provided applicants are willing and able to comply with the Federal guidelines associated with the funds. For more information on these programs please contact ACDA directly.

The Process:

- Submit a Vacant Building Rehabilitation Program Application to ACDA
- Staff verifies the information presented
- Meet with a ACDA representative to discuss the proposed project and develop project specifics
 - Applicant submits a Financial Assistance Application
 - Schedule and project budget are established
- ACDA staff reviews project based on selection criteria and project feasibility and, if qualified, submits the project to the ACDA board for approval
- ACDA board approves project
 - Property owner enters into contract agreement with ACDA
 - Program begins and redevelopment commences
 - Periodic review and monitoring

Minimum Requirements for Application:

The Albany Community Development Agency will monitor projects assisted under the Vacant Building Rehabilitation Program. With ACDA, Department of Development and Planning staff, Department of Building and Regulatory Compliance staff, a Project Selection Committee will be put in place to select projects that will reduce blight and stabilize the neighborhoods. The selection criteria for the properties are listed below:

1. The project must reduce blight, contributing to the economic recovery of the target area,
2. **And/or** the project must be located in a neighborhood with a significant number of vacant and/or abandoned buildings
3. **And** the project must be a vacant building under the Albany City Code Chapter 133 Article XI and ^{XIA};
4. **And** the project must include renovation of residential or commercial units resulting in occupancy;
5. **And** the project must be financially feasible.

For a project to be eligible for funding from Vacant Building Rehabilitation Program, the applicant must demonstrate project feasibility, redevelopment experience, financial stability and structural integrity of the property. A completed application does not guarantee funds from the Vacant Building Rehabilitation Program. All project applications will be presented to the ACDA board for final approval. ACDA reserves the right to reject any application when, in its judgment, rehabilitation of the project is not economically feasible or not in the best interest of neighborhood in which it is located.

*****PLEASE NOTE: APPLICATIONS WILL NOT BE APPROVED FOR INDIVIDUALS THAT HAVE UNPAID PROPERTY TAXES, SCHOOL TAXES, WATER/SEWER CHARGES, EXCESSIVE PARKING VIOLATIONS, AND UNADDRESSED CODE VIOLATIONS ON ANY PROPERTY OWNED IN THE CITY OF ALBANY.**

Program Requirements for Private Property:

The Vacant Building Rehabilitation Program supports private developers and home owners to re-develop vacant residential buildings in the City of Albany. ACDA will offer assistance to large or small contractors/property owners who wish to take on projects rehabilitating vacant buildings. Properties may be purchased with this program in mind, or may already be owned by the developer/homeowner. ACDA will approve applicants based on the following criteria and an evaluation of the capacity to perform the scope of work and keep the building from falling into disrepair.

Applicant Responsibilities:

A application must be submitted: The application form includes questions about the applicant, ownership, building information, scope of work and rehab budget.

Minimum Requirements for application: The building must be a vacant building under the Albany City Code, Projects must include renovation of residential buildings. Projects will reduce blight, contribute to the economic recovery of the target area, and brings a building back to active use.

Scope of work: A written scope of work is a Program requirement. The scope of work must address:

- A detailed narrative describing the project
- Immediate health and safety concerns;
- The correction of code violations;
- Lead-based paint hazards that may exist in buildings that contain residential units;
- Radon hazards in buildings that contain residential units;
- Installation of energy conservation measures;
- Improvement of handicapped accessibility, where applicable;
- Consistency with any other local program design guidelines; and
- Preservation of historical elements of the building.

Awardees must complete work in accordance with the approved scope of work. Awardees represent that they have obtained the managerial and technical capabilities necessary to undertake and perform the project in a satisfactory manner (i.e. architects, engineers, general contractor, and subcontractors).

Zoning:

Properties must comply with local zoning ordinances to be eligible. All required variances and conditional use permits must be secured before work can begin.

Vacant Building Registry:

Applicants must provide proof that the building has been registered on the City of Albany's Vacant Building Registry.

Lead Based Paint (LBP):

All activities in dwelling units that were constructed prior to 1978 must be evaluated for hazards posed by lead-based paint. In all units, the extent of disturbance must be considered by conducting a visual evaluation and a calculation of the total amount of surrounding square footage that will be affected by the activity. ACDA uses HUD *Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing* as reference standards for conducting activities that will disturb areas with lead-based paint. All work must also be conducted in accordance with EPA's Renovation, Repair and Painting Rule (RRP rule) found in 40 CFR Part 745 Further information can be accessed at: <http://www.hud.gov/offices/lead/lbp/hudguidelines/index.cfm>

Rent and Income Limits:

Rental properties assisted with these funds will be required to provide affordable housing in at least 50% of the units created with program funds. Family income for tenants will be based on 100% of the area AMI and allowable rent levels are as follows:

| <u>Number Bedrooms</u> | <u>RENT WITH UTILITIES</u> |
|------------------------|----------------------------|
| 1 | \$690 |
| 2 | \$782 |
| 3 | \$968 |
| 4 | \$1,206 |
| 5 | \$1,294 |

Properties that are purchased from the Albany County Land Bank, ACDA, or assisted with addition HUD funding, may be subject additional rent/income restrictions. ACDA staff will assist with determining the income limits and rent limits for each of your properties.

Asbestos:

If asbestos-containing materials (ACM) will be disturbed as part of program activities, the owner agrees to dispose according to NYS Department of Labor requirements at 12 NYCRR Part 56. For projects involving demolition, 12 NYCRR Part 56-11.5 must also be specifically followed.

Access to site:

The awardee agrees that the ACDA shall at all times have access to the job site and premises for the purpose of inspecting and reviewing the renovation work.

Regulatory Period:

As a condition of receiving assistance under this program, owners must commit to either living in the residence or renting the residence for a period of at least five years from the date of completion. The Owner, for a period of five (5) years from project completion ("Regulatory Period"), shall take all necessary steps to ensure that the property improved under the Program is maintained in good condition. Assistance shall be in the form of a prorated deferred loan, with a mortgage placed on the property securing the loan. The mortgage may be subordinated to any other mortgage approved by ACDA which is presently on or which may be placed on the property. Loans will be forgiven at the end of this period as long as the owner has fully complied with all terms and conditions of assistance for the entire period.

Compliance with Local Laws, Codes and Design Standards:

Any contract or agreement to be executed relative to the work contemplated by this Grant Agreement shall require that the Owner give all notices required by, and comply with, all applicable laws, ordinances, regulations and codes of the City.

Liability Insurance: The awardees shall be required to obtain a policy or policies of general liability insurance with limits of not less than One Million Dollars (\$1,000,000). Said policy or policies shall include fire and theft. Each policy or policies of insurance required shall be in form and content satisfactory to the ACDA and shall provide that the City is named as additional insured and that ACDA is named as a loss-payee.

State Historic Preservation Office: The awardee, with assistance from ACDA, will need to submit paperwork to the State Historic Preservation Office and ensure project is in accordance to the State Historic Preservation Office.

Environmental Review: All properties under the Vacant Building Rehabilitation Program that receive additional federal funding from ACDA are subject to requirements of the Environmental Review regulation 24 CFR 58. These regulations are outlined in each of ACDA's program guidelines and with assistance from ACDA, awardees will be required to fill out and Environmental Review form for any project funded with additional federal funds.

Bidding Process:

ACDA will bid out a portion of the rehab project that will be reimbursed by the Vacant Building Rehabilitation Program. Payments will be made directly to the contractor upon successful completion of the work outlined in the scope of work.

The Albany Community Development Agency Responsibilities:

Regulatory Period:

The approved rehabilitation must begin within six months of receiving approval, and the owner is required to submit a Certificate of occupancy within two years of the project start date.

ACDA, for a period of five (5) years from project completion will ensure the property improved under the Program is maintained in good condition. The owner must either reside in the residence or rent it according to program guidelines.

Site Visits: ACDA will ensure compliance with the applicable standards throughout the construction process through site visits. The ACDA shall inspect the Premises at the time a request for reimbursement is filed. In addition, prior to the processing of the final payment request, the ACDA shall require certification from the general contractor as to work that has been completed.

Design Review: ACDA will ensure compliance with the applicable standards throughout the construction process through design review. All work done under this program will be subject to review by the City of Albany Department of Building and Codes for zoning compliance, as part of the City's regular development review

process. Further, all projects will be reviewed by the Historic Resource Commission (if applicable) for consistency with established design standards in the historic district.

Environmental Checklist: if the applicant plans to use additional federal funding for this project it will be subject to the requirements of are subject to requirements of the Federal Environmental Review regulation 24 CFR 58. These regulations are outlined in each of ACDA's program guidelines and with assistance from ACDA, awardees will be required to fill out and Environmental Review form for any project funded with additional federal funds.

State Historic Preservation Office: the Vacant Building Rehabilitation Program is required to submit forms and comply with the of the State Historic Preservation Office. The ACDA will ensure compliance with the applicable standards throughout the construction process.

Bidding Process: ACDA will receive the sealed bids for a portion of the rehab project that will be reimbursed by the Vacant Building Rehabilitation Program. . Proof of purchase will be required for reimbursement once the agreed upon project is completed.

ACDA will require that applicants submit proper documentation and adhere to City of Albany M/WBE standard.

The intent of the City of Albany's Minority and Women Business Enterprise Ordinance is to provide economic and employment opportunities to both minority and women-owned business and minority workers in contracts lead by the city. In keeping with this policy, the following goals have been established:

1. To award a minimum of seven and one half percent (7.5%) of the total dollar value of the contract to City of Albany Certified Minority and Women Business Enterprises and;
2. To award a minimum of 17.8% of the total labor force hours to the minority and women labor pool.

Contract Terms

The Albany Community Development Agency and the awardee will sign a contract agreement stating the terms of the Vacant Building Rehabilitation Program. The awardee will have to provide information for the Environmental Compliance Checklist and SHPO forms (if required). The awardee will have to wait to start work on the building until SHPO has provided a determination letter on the building. Included in the contract agreement, the awardee will have to sign the following documents:

- Contract Agreement
- Property Release Form
- Property Maintenance Declaration (once project is complete)
- Signed Application
- Any City documents for permits, zoning or historic requirements, or vacant building registry
- Depending on property, other information may be required