



Payson City
Commercial Façade Improvement Program
(CFIP)
PROGRAM GUIDELINES

Payson City
439 West Utah Avenue
Payson, Utah 84651
801.465.5214

Payson City reserves the right to change this program and required documentation to ensure compliance with the regulations of the U.S. Department of Housing and Urban Development.

No qualified person shall be denied the benefits of, the participation in, or be subjected to discrimination under any program or activity funded by Payson City based on race, color, national origin, sex, religion, disability, or familial status.

PROGRAM GUIDELINES/POLICIES AND PROCEDURES

The Commercial Façade Improvement Program (CFIP) is intended to encourage growth in Payson by restoring, sustaining, and improving commercial properties in Downtown Payson while supporting employment opportunities, increasing economic vitality, and enhancing the visual experience. Payson City promotes the improvement of existing facades to make properties more attractive and increase long-term property values. The CFIP Program will strengthen economic viability by providing financial incentives for improving the visible exterior of existing buildings. The program encourages private property owners to work with Payson City to promote continued use and maintenance of existing commercial structures, with the expectation of achieving and maintaining quality building stock, architecture, design features, and signs that are complementary to the commercial character of the area and enhance long-term property values and enjoyment by all residents of the community. The program will also support low- to moderate-income (LMI) job creation and/or retention. *CFIP grants are funded by the U.S. Department of Housing and Urban Development (HUD) and are subject to federal requirements.*

Property Qualifications

The CFIP provides an opportunity to preserve the architectural heritage and enhance the historical and cultural identity of Downtown Payson. The best approach to encouraging compatible downtown building design is through preservation of a building's original architectural features whenever possible.

CFIP Boundaries

There are many buildings that contribute to the city's culture and interesting past. To expand grant opportunities throughout Downtown Payson, an *Eligibility Boundary* is established that encompasses properties of historical importance that may be eligible for grant funding.

A *Target Area* is also delineated to include properties that will be affected by Phase 1 of the Main Street Revitalization Project which will begin in 2024. These include commercial buildings with façades facing Main Street between 100 North and 200 South; along Utah Avenue between 50 East and 50 West; and along 100 South between 50 East and 50 West.

Applications for commercial buildings within the Target Area will take priority over those in the Eligibility Boundary.



Eligible Properties

- The building must be at least 50 years old.
- The building must be located within the Eligibility Boundary, with preference given to historic structures in the Target Area.
- Property must be used in whole or in part for commercial purposes.
- Project must meet HUD’s national objective of LMI Job Creation and/or Job Retention.
- Must have at least a one-year lease, if applicable.
- Applicant and property owner must be in good standing with Payson City and not in arrears with any financial obligations, including, but not limited to, taxes, license fees, assessments, and/or utility bills. This includes any zoning or building code violations.

Ineligible Properties

- Institutional and publicly owned properties
- Tax delinquent property
- Property in litigation
- Exclusively residential buildings
- 501(c)(3) organizations

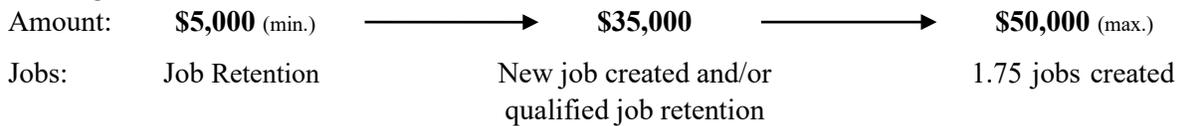
Available Funding

The CFIP program has two primary goals: 1) protection and improvement of existing facades with historical significance, and 2) creation and retention of permanent jobs. This is a matching grant for façade improvements for each low- to moderate-income (LMI) job created/retained. Along with an improved building façade the participants in this program agree to create/retain jobs for LMI persons as indicated below.

Required Match

To be eligible for grant funding, the applicant must match every \$5 of grant funds with \$1 of other funds spent on eligible improvements. This match may include expenditures for exterior and/or interior improvements to the subject building made within 12 months prior to the grant application.

Funding = Permanent Jobs



*Number and type of jobs must meet federal requirements.

Reimbursement

This is a reimbursement grant. The applicant (owner, purchaser, or tenant of a property) shall pay all design and construction expenses related to improvements to the exterior street facing façades of an existing building and submit for reimbursement by Payson City. Applicant must demonstrate that all federal requirements have been met to receive reimbursement.

A disbursement schedule, program compliance, terms and conditions of the policies and procedures for the creation and/or retention of permanent jobs will be included in the contract. All disbursements are made at the discretion of the CFIP Program Administrator.

Created/Retained Jobs Defined

Created Jobs Defined

If a CFIP grant is awarded, it will be based on job creation/retention for low- to moderate-income (LMI) persons. For purposes of being considered a created job, a job must be a new, full-time position or two part-time positions may be created to equal one full-time position. In counting jobs, the following policies apply:

- Funding amounts are controlled by the number of jobs created or retained. Full-time employees (or equivalent to) and/or retaining full-time employees is a requirement of this grant.
- Full-time is defined as a thirty-five (35) hour or greater work week over a five-day period.
- Two part-time positions may equal one full-time position. A part-time position moved to a full-time position count as a job created.
- Only permanent jobs count—temporary jobs do not meet eligibility requirements. If permanent, the employee has a regular schedule and works indefinitely. In contrast, a temporary employee has a job that lasts for a short, defined period of time.
- All permanent jobs created must be counted even if the activity has multiple sources of funding.
- Business relocation to Downtown Payson from another site within Payson does not qualify as new jobs.
- If the owner of a microenterprise business (five employees or less) meets the LMI requirements, the owner’s position may be counted as the job retained.

Accessing these funds is contingent upon hiring full-time employees (or equivalent to) and/or retaining full-time employees who would otherwise be let go, whose household income meets HUD’s criteria of LMI persons at the time of application. To provide a level of privacy between employee and employer, Payson City has an Employee Certification Form for the employee to complete. This form ensures the hired employee(s) meet HUD’s definition of LMI.

Income Chart
(Effective July 5, 2023, adjusted annually)

Area	LMI Employee
Utah County	1
Maximum Employee Income	\$52,450

Base Number of Job Positions Required

Grantees agree that jobs created will be cumulative and will not replace any jobs existing prior to participation in the program. Payson City wishes to promote job creation; consequently, it is essential that the number of existing employees prior to application for the recoverable grant be clearly determined and established as the benchmark in identifying the total number of employees required by program regulations. Adequate documentation for employee number for the quarter ending prior to application for the program must be provided.

Job Count Start Date

Job count start date will be based on an event which occurs after the execution of the CFIP Agreement. In the case where the business is a new business, the job count start date will be the date of opening of the

business. If the business is an existing business, the start date will begin on the new hires first day of work.

Façade Improvement Parameters

The façade is the primary street-facing side or sides of a building. Corner buildings, with each side facing a street, shall be considered as having two façades. The façade shall include the building front from the sidewalk or grade level to the uppermost roofline, including the parapet wall or screen for mechanical equipment.

Eligible Façade Expenses

The following are examples of activities that may be eligible for reimbursement. This is not an exhaustive list. Please contact staff for additional information on eligible façade improvements.

- **Awnings and canopies:** Installation of permanent awnings and canopies.
- **Exterior walls:** Repair, restore or rebuild vertical or parapet walls, including cleaning, sealing, tuckpointing, patching, repointing of mortar joints, painting and replacement of approved exterior finishes, paint removal and water-repellent treatments to exterior finishes.
- **Exterior building materials:** Repair, replacement, or preservation of original, historically significant architectural details. Removal of exterior building materials on the façade that are not original or are in excess to the building.
- **Exterior doors:** Repair, restore, replace, and install doors and hardware used to provide public access.
- **Exterior windows:** Install, replace, or repair windows, frames, sills, glazing or glass.
- **Building appurtenances:** Install, replace, or repair eaves, conduit, gutters, downspouts, decorative details, cornices/parapet walls, signs, screening of mechanical equipment or utilities. Appurtenances should enhance the architectural context of the Downtown Payson setting.
- **Exterior lighting:** Period lighting on the front of the building.
- **ADA compliance:** Exterior improvements required to make access to the building ADA compliant.
- **Fees:** Architect/design costs and building permit fees as they relate to the façade improvements.

Improvements must be completed on the street facing side of an existing building or to improve the appearance/accessibility of a secondary access dedicated for public use. The above items are also eligible for the property owner or tenant's match portion.

Ineligible Façade Expenses

The following are examples of activities that are not eligible for reimbursement.

- Improvements to the interior of the building including structural, electrical, mechanical, plumbing, elevators, code compliance, and tenant finish.
- Landscaping, fences, and gates.
- Roof replacement.
- Security systems.
- Installation of heating, ventilation, and air-conditioning equipment.
- Electrical wiring or service upgrades, except where needed to illuminate the exterior of the building or signs.
- Fire suppression systems.
- Personal property (e.g., furnishing and trade fixtures).
- Property acquisitions.

- Loan fees, mortgage, or land contract financing.
- Work determined by the Program Administrator to be scheduled maintenance repairs.

Other Grant Program Features

- All façade improvements must, whenever possible, preserve the historic, architectural, and aesthetic character and heritage of Downtown Payson. Architectural treatments, materials, colors, and other design features will be reviewed by the Development Services Director, who will determine if the applicant has sufficiently demonstrated the project will positively contribute to these objectives. The Director may assemble a team of professionals to make decisions on the design features of the project.
- All work must be performed under the direction of a licensed contractor registered with www.sam.gov and have a current Unique Entity Identifier (UEI). Register for FREE at www.sam.gov.
- Payson City will perform HUD-required historical and environmental review of the work prior to grant approval.
- Three bid proposals are necessary for all façade work.
- Successful bidders shall be selected by the grantee and shall be subject to Payson City's approval of the grantee's reason for the selection, including bid tabulation. In addition to price, the grantee may consider the following and other factors in selecting the successful bid proposal:
 - Conformity to specifications
 - Financial ability to meet the contract
 - Previous performance
 - Equipment
 - Experience
 - Delivery promise
 - Terms of payments
 - Compatibility
 - Contractors' ideas on how to perform the work most cost-effectively or to improve the finished project within budget.
- All contracts will be subject to Davis-Bacon and Related Acts requiring that the prevailing federal wage be paid for all employees of the contractor(s). The CFIP Program Administrator will provide the most current wage determination to the applicant and/or contractor(s) to ensure compliance with this requirement. The applicant must submit weekly payrolls to demonstrate compliance with the prevailing federal wage.
- Prior to the release of grant funds, Payson City and additional City Inspectors will inspect improvements for completeness, basic quality of workmanship and code compliance. Construction specifications and work completed shall comply with all applicable building and fire codes. However, Payson City provides the grantee and property owner with no warranty of the façade improvements.
- Use of HUD funds for façade grants is conditioned on a commitment by the business owner to create or retain permanent jobs for LMI persons on the premises. Job creation/retention paperwork must be completed before any funds are dispersed.

Application Process

Plans for façade improvements must receive approval from the CFIP Program Administrator. Projects will be considered on a first-come first-served basis, based on the date the application is submitted. Projects in the Target Area will take priority over those included in the Eligibility Boundary regardless of application date. Funding levels fluctuate from year to year, depending on the City's approved annual budget.

The applicant shall submit the Program application and all required information to the Development Services Department for review PRIOR TO BEGINNING ANY WORK. The submittal must include, at a minimum, the following:

1. Application
2. Narrative description and projected budget for scope of work to be performed
3. Current photos of building exterior/façade
4. Business description (including product/service)
5. Proof of ownership (warranty deed or title insurance) and/or lease
6. Site plan (show proposed changes)
7. Elevations (show proposed changes and building materials)
8. Submit plans for the following, as applicable: exterior lighting, signs, awnings, windows, architectural details
9. Official cost estimates from contractors, vendors and/or architects.

Additional specifications and installation details may be required throughout the application process.

The CFIP Program Administrator will review each application once all application materials have been submitted. Applicants will be notified in writing of approval or rejection together with reasons for rejection or any conditions of approval. In addition to reviewing basic grant eligibility, the CFIP Program Administrator will review the grant application on the following points:

- Will the project foster the use of the ground-floor storefront space as retail-dining-entertainment space which encourages pedestrians to look inside through the windows and then draw them into the business?
- Will the project preserve any original architectural features which remain?
- Will the project eliminate/correct previous remodeling which has covered up original architectural features?
- Will the improvements employ new materials only in ways which do not obscure the building's original character (i.e., sandblasting), which would cause faster deterioration of the building?
- Will the project improve the entire building frontage on streets and particularly the entire front façade?
- Are the improvements proposed for grant funding likely to last well? (This considers the physical durability of the improvements, but also whether the improvements are likely to be replaced if the storefront tenant were to change.)
- Does the contractor and those working under their direction have the workmanship skill and experience needed for dealing sensitively with an old building?

Prior to commencement of the grant-funded work, Payson City and the grantee will enter into a CFIP Agreement. This Agreement details the grant requirements, including Federal requirements, number of jobs to be created/retained, sets forth the scope of work to be performed as part of the project and the date by which the project will be completed. If a tenant is an applicant, the building owner must consent to the

application and agree to be bound by the terms of the CFIP Agreement. A copy of the CFIP Agreement form is available for review.

Applications may be denied for the following reasons:

1. Incomplete applications or projects not meeting the intended program goals.
2. The project is not within the Eligibility Boundary or other pending projects are located within the Target Area.
3. Proposal was not appropriate to the funding agency to which it was submitted. (I.e., does not meet HUD requirements).
4. The proposal appears to be beyond the capacity of the applicant and/or contractor in terms of training, experience, available resources, funding, etc.
5. The budget is unrealistic in terms of estimated requirements for equipment, supplies, and personnel.

Construction Process

Improvements to be funded by CFIP may take place only after Payson City has approved the grant, the grantee has entered the CFIP Agreement with Payson City, and the contractor or grantee has received a written Notice to Proceed. No grants will be made for work, other than design work, underway or completed prior to execution of the CFIP Agreement by both the grantee and Payson City.

Work shall begin within 90 days of the effective date of the agreement unless otherwise approved by the building official and must be completed within one year of the building permit being issued.

Reimbursement

The applicant is responsible for all payments for services related to the project. Approved CFIP funding will be reimbursed only upon completion of the project, final City inspections and approvals, submittal of copies of paid invoices for approved work, submittal of Waivers of Lien, and submittal of Form W-9. The Program Administrator will review submitted invoices and notify applicants when payment is approved. The applicant will receive and agrees to file a Form 1099 with the IRS for the tax year in which CFIP funds are received.

Reimbursement may be delayed or revoked if work is not completed in accordance with the approved building plans or agreement, or if all the required documentation is not submitted.

Use of Non-Federal Funds

Payson City has allocated funds to assist property owners in completing specific improvements that support the Main Street Revitalization Project. Eligible improvements include but are not limited to 1) façade modifications to eliminate structural encroachment in the public right-of-way (i.e., awning posts); and 2) increased or improved public access to the buildings (i.e., back entrances).

Funding details:

- Grants will not exceed \$50,000 for encroachment removal or public access improvements. Eligible amounts will be determined at the discretion of staff. Accessibility and functionality of the proposed improvements as well as the number of potential applications will be taken into consideration.
- Grantees will be required to provide a match of at least 20% of the total project cost.

- For example: if the total project costs are \$24,000, then the grantee will contribute \$4,800 (20%) and receive \$19,200 (80%) in grant dollars.
- Applicant must enter into an agreement that outlines the scope of work to be performed, who will complete the work, grant amount and matching funds, date the project will be completed, and the reimbursement process.
- Work must be completed within one year.
- This grant cannot be combined with the CFIP grant to exceed the \$50,000 maximum grant amount.

Applicants utilizing this funding source must follow the CFIP Program Guidelines, except for HUD regulations. Job creation and retention is encouraged, but not required.

For more information, contact Payson City at 801.465.5214 Mon.-Thurs. 7:30 a.m.-6:00 p.m.

Payson City reserves the right to amend these Guidelines at any time if it is determined necessary to provide more clarity, flexibility, or restrictions to the Commercial Façade Improvement Program.