

ROCKY MOUNT
DOWNTOWN DEVELOPMENT
THE CENTER OF IT ALL



Downtown Residential Production Grant Program

Policy Guidelines

Purpose

The Downtown Residential Production Grant Program is an economic development program established under North Carolina Statutes Section 158-7.1. The program is intended to promote downtown living and increase the residential capacity downtown. The Residential Production Grant Program will encourage property owners to consider reuse of their upper floors for lofts, apartments, or condominiums. Investors in new construction or building rehabilitation projects that create new residential units, or renovate abandoned units, will be eligible for a substantial rebate on development costs.

The program is structures to accelerate and encourage downtown building rehabilitation to attract businesses as well as residential tenants to locate within the Central City Business District. Accelerating downtown revitalization will create jobs, increase the tax base of the Central City Business District, compliment existing public investment, and continue the City Council's objective of establishing Downtown as another area of the city to live, work and play.

Roles and Responsibilities

The Downtown Development Office will serve as the primary contact for questions, concerns, application intake and program promotion.

The Downtown Development Manager will review and approve all completed and eligible applications.

Approved applications will be sent to the Internal Audit Department for compliance review and secondary approval.

All applications will be sent to the City Manager for review and final approval.

Development Services – Inspections will ensure compliance with the building code and if applicable ensure compliance with Historic Preservation Guidelines throughout the process.

Eligibility

Commercial properties located within the **Downtown Core** are eligible to participate in the Residential Grant Program. The core district being described as within the boundaries of Franklin St., Goldleaf St., Atlantic Ave., and Raleigh Blvd. Please see attached map.

No property shall be eligible for more than one (1) grant award in any given five (5) year period.

Eligible Project Improvements

Requests for buildings located within the core district will be prioritized. The types of projects which may be funded are:

- New construction, building rehabilitation or adaptive reuse.
- Project must result in the creation of residential units, not previously available for occupancy.
- Renovations must be substantial to the extent that the completed units are of a finished quality and ready for occupancy.
- All new or renovated units must be consistent with the overall quality standards.
- Eligible projects will include residential as part of mixed-use development or commercial property converted for residential as single use.

Plans for improvements must conform to existing building and landscape regulations of the city of Rocky Mount, and the Rocky Mount Historic Preservation Commission guidelines.

All projects must receive a Certificate of Appropriateness or approval of the Historic Planner prior to the funding approval, if applicable.

To be eligible for funding from the grant, the building must qualify for a Certificate of Occupancy on the date the application is submitted or at the completion of the project. (In other words, the grant may not be used for improvements to a building which may not be occupied due to code violations or issues).

Every assisted dwelling unit must be free from any Demolition by Neglect violations and conform to the city of Rocky Mount's building code standards for the intended use, if known at the time of application.

To receive funding, the application must show that upon completion of scheduled improvements, and to receive award funds, the property must at a minimum receive a certificate of compliance per the North Carolina Administrative Code GS160A-423 and the following:

- Must have a usable electrical service per National Electrical Code (NEC) standards.
- At least one ADA compliant bathroom unless bathroom already exists and is eligible to be grandfathered.
- Working HVAC
- Roof free of leaks
- Floors and stairs free of hazards and meeting safety requirements (no holes and railing as required)
- Air-tight windows

When inspecting each unit, the city's Building Code Inspector will employ these standards and, if necessary, prepare a list of repairs that must be performed to fulfill this requirement.

To be eligible for reimbursement, the recipient must acquire all permits necessary and applicable for the work proposed in their application.

Reimbursement will only be made for the materials and labor performed by the owner. There will be no reimbursement or payment for labor performed by the owner. However, labor performed by the owner may be credited as a match for the grant provided that the labor can be verified. The labor is applicable to the project approved for funding and the labor rate is reasonable in-line with market rates.

Upon award, the recipient must acknowledge that all improvements funded in part with grant award funds must remain with the property including upon conveyance to another owner if the property is sold.

Funding

Subject to the availability of funding, grants shall reimburse the applicant up to \$7,500 per residential unit created or substantially upgraded, with a maximum grant of \$150,000. The maximum grant will not exceed 20% of overall development cost for residential space.

The total of all downtown incentive grants provided for the project cannot exceed 35% of overall development costs. (Not including the Development Incentive Grant)

- All repairs must be completed, debris removed and pass inspection prior to reimbursement. A copy of all passed inspection sheets and permits is required.
- If the inspection is not satisfactory, the applicant/contractor will be notified to correct any unsatisfactory items.
- Any work done prior to the approval of a grant application is not eligible for grant funding.
- Projects must be completed within 12 months of grant approval notification. Failure to complete the project by this date could result in the loss of funding.

Funding Eligibility Exclusions

The focus of the program is to encourage the development of properties for residential and commercial use. The City of Rocky Mount cannot consider every request. Therefore, the following are not eligible for funding:

- Religious Organizations for sectarian purposes (church, bible study, etc.)
- Individual K-12 schools (public or private)
- Organizations that discriminate based on race, culture, gender, sexual orientation, age, or religion.
- Political activities
- Non-conforming uses

Application Process

All applicants must be the legal owner of the property or submit an Owner's Consent Form.

Applicants will complete the required application and include the following:

- Organizational documents detailing owners/partners/officers or members if applicable.
- Satisfactory description of proposal.
- Drawings/Renderings
- TWO bids from licensed contractors for each service required.
- Proof that all property taxes and any assessments are paid.
- Copy of Deed reflecting applicant as property owner.
- A completed W-9 for reimbursement purposes.
- Before photos. After photos will be required for reimbursement.

An approval letter will be mailed, emailed, or given by hand to the applicant upon approval. If the application has not been approved, the downtown development office will convey the rejection through email or phone call and the reason for the rejection.

Any major deviation from the approved plans must be approved by the downtown development office and development services prior to being undertaken.

Upon completion of the project in accordance with the approved plans, paid invoices reflecting a zero balance and signed by the contractor on the contracting company's letter head, must be submitted with any remaining documentation requested by the Downtown Development office.

Once the building improvements are completed and inspected by the Downtown Development office, and any other departments necessary depending on the scope of work (Historic Preservation, Inspections etc.), the completed folder will be sent to the Internal Audit Department, the City Manager, Purchasing Department, then Accounting Department. The Accounting Department will issue the check once all approvals have been made.

If the site inspection by the Downtown Development office, and/or any other departments necessary based on the scope of work is not satisfactory, the applicant will be notified and allowed up to thirty working days for correction of unsatisfactory items.

Reimbursement will be paid for eligible expenses only, in conjunction with all completed requirements and documentation, up to a maximum of \$150,000.

Two funding options are available for Residential Production Grants:

1. Reimbursement to the owner upon completion of pre-approved renovations and a completed application packet and within 30 working days of project completion.
2. Direct Payment to **no more than two licensed** contractors for the completion of all pre-approved renovations and a completed application packet. Contractors must possess current business and professional licensure.