



NYA Façade Improvement Loan Program

Purpose

The purpose of the NYA Façade Improvement Loan Program is to offer a no-interest loan opportunity to NYA businesses for building improvements. The purpose of this program is to provide financial assistance to property and business owners to stimulate investment in the NYA business districts. The goal of this program is to provide an incentive to businesses and property owners to enhance the aesthetics of their buildings in hopes of strengthening the vitality of all NYA business districts, which will have a lasting impact on the entire NYA business community.

Program Eligibility

The intent of the NYA Façade Improvement Loan Program is to focus on those buildings and properties that need improvement due to age, a desire to improve the overall impression of the property and increase the value of buildings. Commercial structures and mixed-use commercial/rental dwellings in the C-2 General Commercial, C-3 Downtown District, and RC-1 Residential/Neighborhood Commercial are eligible for the Program.

All improvements must result in building improvements that add to the goals above. Due to the limited amount of funds, all applications are subject to a competitive selection process which will be based on project goals, impact, and readiness of the project. All applications and plans are subject to the review and approval of the City. Submitting the application and improvement plan does not guarantee approval.

Required Match

All applicants must provide matching funds on a minimum 1-to-1 ratio for loans from \$2,000 to \$5,000. Matching funds must be in cash. "Sweat equity" labor provided by the applicant, owner, or other non-skilled laborer is not considered matching funds.

Eligible Applicants

- The applicant must be the property owner or a tenant with written permission from the property owner to make improvements to commercial or retail buildings.
- There must be no delinquent bills, charges, or taxes due to the City.
- Projects must be located in the designated zoning area of eligibility.
- All projects must result in permanent building improvements.
- Property must have a conforming use or legal non-conforming use.
- Property owners or tenants are only allowed one matching loan per calendar year. If loan funds remain after the first year, additional loans may be applied for on a case-by-case basis.
- All improvements must follow the principles and guidelines of the Norwood Young America Downtown Redevelopment Plan, City Code, and NYA Façade Improvement Loan Plan.

Eligible Uses

Matching loan dollars may be used for improvements to the front façade exterior of buildings including:

- Exterior painting
- Surface treatment (i.e. siding, brick, stucco replacement/repair)
- Masonry repairs and tuckpointing
- Exterior steps/entrances
- Decorative awnings or canopy installation
- Window and/or door replacements or entrance modifications
- Installation or repair of exterior signage
- Publicly visible & use landscaping
- Parking area improvements

Project Commencement

Projects utilizing the matching loan program may not begin prior to approval of the Design review, approval of the matching loan or issuance of a building permit.

Project Completion

Work must be completed in full within six months of the loan approval.

Loan Terms

The NYA Façade Improvement Program provides a one-time loan for eligible expenses. Loans range from \$2,000 to \$5,000 with a 1-to-1 match, 0% interest, and a repayment timeline of eighteen (18) months from date of loan. Borrowers shall submit the contractor's paid in full invoice(s) for the related improvements to the City. All work proposed as part of the project shall be completed prior to a request for loan funds. It is recommended (not required) to the borrower to ask for a lien waiver from the contractor upon payment in full. Loan will be disbursed to the borrower upon submitting a paid in full invoice from the contractor. **Under no circumstances will the contractor be directly paid for work done, nor will work completed prior to approval of the application be allowed to qualify for funds.**

Security

Upon completion of the project, the borrower is to execute a loan agreement and promissory note. Sample agreement and note are attached.

Repayment

Loan will be paid on a monthly basis in eighteen (18) equal monthly installments beginning on the 1st day of the month after loan consummates. Default of payment will result in the balance assessed to the property taxes.

Conflict of Interest

Agreement governed by laws of Minnesota. In the event any provision or clause of this agreement shall conflict with applicable law, such conflict shall not affect the other provisions of this agreement.

For More Information

Public data may be disclosed to any person or entity in accordance with MN Government Data Practices Act and Rules.