



Downtown Residential Conversion Utility Upgrade Grant Program Guidelines

A Joint Program of:

El Paso Downtown Management District (DMD), Program Administrator

The City of El Paso

Tax Increment Reinvestment Zone (TIRZ) No. 5

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Downtown Residential Conversion Utility Upgrade Grant Program

Thank you for your interest in the Downtown Residential Conversion Utility Upgrade Grant Program. We encourage you to read the following guidelines thoroughly and then contact the El Paso Downtown Management District (DMD) to set up an appointment to discuss your project and the grant process. These small steps will help ensure a smooth and efficient application process.

1. **Program Description**

The purpose of the Downtown Residential Conversion Utility Upgrade Grant Program (The Program) is to provide funding to property owners to upgrade to utility services required to support conversion of an existing property into market rate residential units located within the boundaries of the Program Area identified on Exhibit A that follows.

The Program will provide grant funds on a **reimbursement basis only** as outlined below for approved utility upgrades associated with the development of market rate residential units (The Project) on property located within the DMD. Some projects may require matching funds by the property owner.

A. Subject to approval and funding availability, the maximum amount an applicant may be awarded is \$ 50,000.00. For upgrade projects up to \$ 25,000.00, no match will be required. Projects costing above \$ 25,000.00 for developments including five (5) to twenty (20) market rate residential units will require a dollar for dollar match (1:1 ratio) up to \$ 25,000.00 additional dollars. Projects costing above \$ 25,000.00 for development including twenty-one (21) or more market rate residential units will not require matching funds up to \$ 25,000.00 additional dollars. See table below for grant award calculation examples:

Total Approved Eligible Utility Upgrade Costs	Required Matching Investment Amount by Property Owner (5 – 20 Units)	Required Matching Investment Amount by Property Owner (21 or more Units)	Possible Grant Program Award
< \$25,000.00	\$ 00.00	\$ 00.00	100% of upgrade costs
Between \$ 25,000.00 and \$ 50,000.00	\$ 00.00 on first \$ 25,000.00 and \$ 1.00 for every \$ 1.00 of grant funds above \$ 25,000.00 up to \$ 50,000.00 total grant	\$ 00.00	Up to \$ 50,000.00 subject to matching requirements
> \$ 50,000.00	\$ 00.00 on first \$ 25,000.00 and \$ 1.00 for every \$ 1.00 of grant funds above \$ 25,000.00 up to \$ 50,000.00 total grant	\$ 00.00	Up to \$ 50,000.00 subject to matching requirements

2. Program Goals

- a. Support the development of new market rate residential units through infill and adaptive reuse developments;
- b. Alleviate some of the costs of expensive utility upgrades;
- c. Avoid displacement and gentrification;
- d. Preserve existing building stock;
- e. Increase property values;
- f. Serve as a catalyst for continued private sector investment through the creation of market rate residential options

3. Eligible Applicant Criteria

- a. Legal property owner
- b. Must actively pay property taxes on proposed project's property maintaining a current account status
- c. No other debts in arrears to the City of El Paso to the best of their knowledge
- d. Must obtain and provide proof of no current code enforcement actions pending against the property that would not be mitigated by the improvement project by visiting website: <http://epermit.elpasotexas.gov/citizenaccess/>. Searches are available for all violations, i.e.; Building, Enforcement, Environmental, Animal, Fire, and Health.
- e. Must not have received an award(s) under this program with \$50,000.00 being the maximum grant allotted to each real property legal parcel within a previous ten (10) year period.

4. Project Eligibility:

- a. Development of five (5) or more market rate residential units per parcel
- b. Residential units developed with support of this grant program will be leased / sold at market rate or higher values
- c. Conversion of an existing structure or new construction
- d. Combination of 5 or more market rate units in addition to any number of below market and / or subsidized residential. Required match will be based on number of market rate units.

5. Ineligible Projects:

- a. The conversion of existing residential (within the previous 5 years).
- b. Tax exempt properties.
- c. Below market rent / subsidized rent
- d. Projects that include the demolition of a majority of the existing building shell
- e. Interior utility improvements (i.e. wiring, plumbing, gas lines, fixtures)

6. Eligible Expenses:

- a. Utility-related work with a previously approved scope. Includes gas, electricity, water and sewer utilities
- b. Demolition deemed necessary to facilitate the proposed utility improvements
- c. Design and engineering fees, construction drawings / building plans

7. Ineligible Expenses:

- a. Acquisition of property
- b. Barricades
- c. Debris cleanup / control, dumpster fees
- d. Demolition deemed not necessary to facilitate utility improvements

- e. Exterior / interior renovations or improvements
- f. Equipment rental
- g. Fees - miscellaneous
- h. Improvement costs completed prior to receipt of the DMD's written Formal Notice To Proceed
- i. In-kind, donated, "sweat equity" or similar no cost improvement work, services or materials
- j. Interior utility improvements (i.e. wiring, plumbing, gas lines, fixtures)
- k. Parking lot repair
- l. Parking meter rental
- m. Permits
- n. Power-washing
- o. Sales Tax
- p. Security elements
- q. Sidewalk repair (not associated with utility work)
- r. Solar panels
- s. Surveys – asbestos, lead testing
- t. Utility consumption costs

8. Design

Applicants are encouraged to locate any above ground utility obstructions out of the public right of way and out of the view of the general public.

9. Funding Availability

Grant funding is limited and subject to availability. Applicants will be kept informed of funding availability as part of the application process.

10. Application Process

The required Residential Conversion Utility Upgrade Grant Program Application (The Application) form is available at the DMD's principal office (location listed on the cover page of this document) and at the DMD website www.downtownelpaso.com click About DMD, then under the Programs section of that page click Downtown Grant Programs. The Application must be completed in its entirety and include the required additional documentation listed on page 2 of the Application, including, but not limited to, as summarized below:

- Color conceptual rendering and / construction drawings of the proposed utility upgrade plans/work.
- Description of The Project.
- Utility company(s) written review / approval / authorization of proposed Project
- **Certified** City of El Paso Tax Certificate of corresponding legal parcel of The Project indicating property taxes are paid and account is in a current status.
- Costs estimates and project scope (detailed itemized breakdown) of proposed Project work.
- Proof of current property ownership.
- Current color photograph(s) of site and structures relating to the utility upgrade work area.

Important Note: **Application requires notary certified signature(s).**

a. Application Submission

The completed required Application Form and accompanying documents must be submitted for review to the DMD at a minimum, one week prior to the next scheduled

Economic & Residential Development Review Committee Meeting (Review Meeting). The deadline for acceptance of applications is 12 noon every first Thursday of the month. Completed applications received by the deadline will be reviewed at the next scheduled Review Meeting (typically held monthly every 2nd Thursday at 10:00 a.m. in the DMD office or via video conference). The DMD is charged with conducting the initial review of submitted applications. To ensure The Application is reviewed in a timely manner, it is ***highly recommended that Applicants transmit the Application via email (preferred to expedite the process) and / or schedule an appointment prior to the deadline*** with the DMD Office & Project Coordinator. Should the Office & Project Coordinator be unavailable, an appointment may be scheduled with the Executive Director. (Contact information for applicable DMD staff members is located on the cover page of this document). The Application will be date/time stamped at the time of submission/receipt at the DMD office.

b. **Application Review**

Preliminary review of the Application will be performed at the time of receipt of the transmitted email or the scheduled appointment to determine whether it is complete and the requirements for submission have been fulfilled with subsequent advice to the Applicant of necessary changes or missing items that will need to be corrected as soon as possible. The DMD will then conduct a more extensive review of The Application and will again advise the Applicant if any insufficiencies or discrepancies remain to be corrected. ***Time is of the essence.***

The Application is then presented to the Review Committee (The Committee) for review to make a recommendation for approval or rejection to the DMD Board of Directors (BOD) at the next scheduled monthly BOD meeting. The Committee is comprised of DMD Board members, City of El Paso staff members and when applicable, an officer of the City of El Paso Historic Preservation Office. Applicants are invited to attend The Review Meeting when their application is scheduled for review and recommendation. For clarification purposes, questions may be posed to The Applicant regarding the project.

The Committee will make their recommendation decision and present the Application to the BOD for final approval determination. The BOD has discretion to approve, modify or reject the Application and is not bound by any committee recommendation. The BOD typically meets every 4th Thursday of the month at 11:30 a.m. The meeting location is identified on the published agenda. Applicants are invited to attend the monthly BOD meeting.

Applicants will be notified in writing as to the status of The Application; approved, amended or rejected. The BOD reserves the right to postpone the decision.

11. Reimbursement Grant Agreement

In the event, the Application has received final BOD approval, a Commitment Letter will be issued to the Applicant stating the amount of approved grant funds allocated to the residential conversion utility upgrade project (The Project), the establishment of a commitment period for completion of The Project and information regarding the execution of the required Reimbursement Grant Agreement (The Agreement) between the Applicant, now referred to as The Participant (individual or entity responsible for payment of The Project expenses), and the DMD. The Agreement will have been prepared and will accompany the Commitment Letter. The Project information and specifics and the terms and conditions of the Participant's obligations for receipt of grant funds are outlined in The Agreement including, but not limited to, the following:

- a. Property location and project scope along with Exhibit attachments identify the specific approved Project to be undertaken;
- b. Maximum amount of the approved allowed reimbursement grant funds;
- c. Contract performance deadlines and dates including, but not limited to, submission of building permit(s) and other applicable permits or approvals
- d. Project monitoring and right of final inspection by DMD personnel;
- e. Compliance with applicable local, state, and federal laws;
- f. Promotional rights to the DMD;
- g. Maintenance requirements;
- h. Removal / alteration of The Project components within three (3) years from the date of completion of The Project and subsequent recapture of prorated grant funds.

Important Note: The Participant must promptly return the executed Agreement to the DMD office. In the event the Participant is not the legal property owner, the property owner must also provide signature consenting to The Project, BOTH signatures require notary certification.

10. Final Field Inspection

Requests for reimbursement will only be processed after The Project work is completed, a Certificate of Occupancy is obtained and a final field inspection by the Program Administrator is conducted in order to verify compliance with The Project scope.

11. Reimbursement Requests

Along with written inspection approval of The Project from the DMD, The Participant will receive a Program Project Reimbursement Request Form and Form W-9 in order to properly submit a reimbursement request. The Program Project Reimbursement Request must be submitted and received in the DMD office within thirty (30) calendar days from the date of the written final inspection approval notice. The Participant agrees that reimbursement of the eligible Project costs are subject to the following terms and conditions contained within The Agreement under "Section 6. Payment Processing" relating to the required proper documentation to be included with the Program Project Reimbursement Request Form:

- a. A completed and signed Program Project Reimbursement Request Form and Form W-9 (completed with The Participant's information) as provided by the DMD;
- b. Proof of payment of all Project costs (copies of cancelled checks and / or electronic transaction receipts along with corresponding invoices marked "PAID") must demonstrate payment was made by The Participant. Invoices shown to be paid by other than The Participant will not be included in payment of the Reimbursement Grant;
- c. Statements from architects, contractors and / or subcontractors acknowledging that all payments have been received;
- d. Notarized final lien waivers from all contractors and / or subcontractors, where applicable;
- e. Proof of any applicable final governmental inspections (e.g., planning or building permits or certificates of occupancy); and
- f. Digital color photograph(s) are preferred that accurately reflect the completion of The Project.

Documentation submitted along with the Program Project Reimbursement Request Form is subject to the review and approval of the Program Administrator. Further, reimbursement under The Program means that no reimbursement payment will be issued until The Participant has paid for The Project work in **full**.

Allow thirty (30) days for processing of the Grant Reimbursement payment which will be

processed in the form of a check made payable to The Participant. The Participant will be notified once the check is available for release and will require signature by an authorized party.

Important Note: Grant funds are subject to the IRS reporting guidelines related to the reporting of Miscellaneous Income via a Form 1099-MISC.

12. Maintenance Requirements

By accepting grant funds, the Participant commits to properly maintain all components of The Project, keeping them clean and free of graffiti for a minimum of three (3) years at the Participant's own expense. Any damage to The Project work is to be repaired immediately by The Participant so that the property remains in good condition. The Participant is required to touch up painted areas and perform any other repairs needed on an ongoing basis and to maintain any associated building appearance including the cleaning of any components at least once a year. The Participant also agrees to return a pro-rated amount of the grant funds received if any portion of The Project work is removed within three (3) years of The Project completion date.

13. Promotional Rights

By accepting grant funds, the Participant authorizes the DMD to promote the project and property including, but not limited to, the display of a sign at the site during and after construction indicating participation in The Program, and using photographs and descriptions of The Project and property in the DMD's printed promotional materials, press releases, and websites.

EXHIBIT A - Program Area

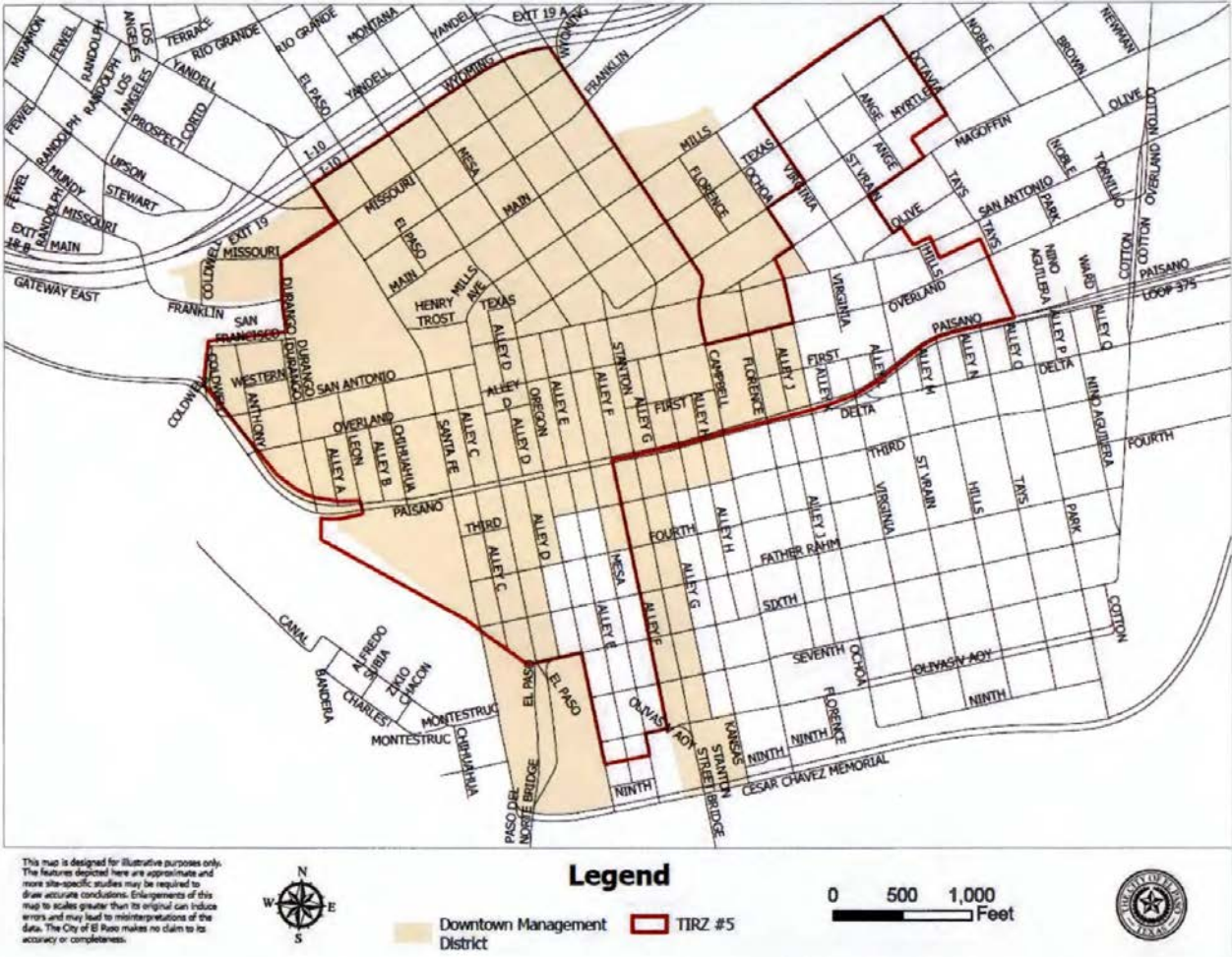


EXHIBIT A - 2

El Paso Downtown Wayfinding Plan

El Paso Downtown Wayfinding Plan

