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City of Bethlehem Exterior Improvement Loan Program

Goal: To strengthen the City of Bethlehem's position in the Lehigh Valley region as a prime location and destination; to keep the business districts of the City vibrant so that they continue to anchor neighborhoods; to contribute to attractive streetscape environments for business; to promote adaptive reuse of buildings; to enhance the historic character of Bethlehem's built environment; to preserve, stabilize and improve the quality of the city's building stock; and to continue to eliminate and prevent urban blight.

Purpose: To achieve the goals of the program by providing incentives to building owners and business owners; to provide flexibility in the appropriation of program funds; to address or prevent building code violations as they apply to exterior building systems to arrest building deterioration; to inspire creativity in architectural design, business identification and enable historic rehabilitation; to remove barriers and improve access for the City's disabled population, to improve goods and services available in neighborhoods where a majority of residents are low- or moderate-income; to generate or preserve jobs primarily held by low- and moderate-income residents; to eliminate or curtail the spread of slum and blight.

Program Overview: The City of Bethlehem recognizes that to properly correct building exterior deficiencies, code violations, and to incorporate overall improvements to the building stock in our business districts, that a program with sufficient levels of funding would be of primary importance. While the façade is the primary focus, improvements to the roof, sidewalks and other visible areas of the building are of importance to the integrity of the overall building and to the public safety. The Exterior Improvement Loan Program's strength is in its ability to address the requirements of clean, safe, affordable building ownership while preserving the architectural significance of the building.

Program Guidelines

Funding:

Up to \$60,000 per property. Additional funding may be available with the approval of the loan committee.

Forgivable loans are available for up to \$20,000 for projects that remove architectural barriers for handicapped persons or install ADA compliant features. The funds for these specialized loans are limited to a pool of \$100,000, available on a first-come basis.

Eligible Uses:

Funds may be used to improve the exterior of the building, roof, downspouts, gutters, etc. that serve to stabilize the building in addition to the purchase of signage, storefront improvements, the removal of barriers for handicapped individuals, installation of ADA compliant ramps and sidewalk improvements.

Funding Limitations:

Loans are for up to 100% of the project costs, with a maximum of \$60,000. Higher loan amounts are available at the discretion of the loan committee. Certain program sections have further limitations as listed below:

Forgivable loans which incorporate ADA improvements are available for up to \$20,000 and are forgiven at a rate of 20% per year for 5 years. Should the property be sold prior to the end of the forgiveness period, the balance will be due to the City.

Specific Guidelines:

All projects must be within the specific certified areas of the city that may change from time to time. If not in a designated blight area, property improvements must result in the creation or retention of one full time position for low to moderate income persons residing in the City of Bethlehem for each \$35,000 borrowed. For any borrowed amount under \$35,000, one part time position must be created. Positions must be retained for one year after project completion. Alternatively, projects must benefit an underrepresented portion of City residents in some fashion (low to moderate income individuals, disabled, elderly or homeless).

Projects must meet all city codes and ordinances and include a complete exterior code inspection. Code violations must be addressed in full during the course of funding. The City reserves the right to withhold a retainage of each draw in order to meet the code compliance requirements.

All projects are required to have a review by the City Historic Review Officer and where applicable must present the plans to the appropriate Historic Review Committee for approval and issuance of a Certificate of Appropriateness prior to the approval and funding of the project.

All projects require that a valid Certificate of Occupancy be available at the time of application or that a complete code inspection be performed and a deficiency list be provided to the property owner prior to settlement. The deficiency list will be accompanied by a letter of intent to clear the code violations and to secure a Certificate of Occupancy prior to final disbursement of funds.

All projects will be subject to Davis Bacon Prevailing Wage compliance.

If a project is undertaken in a vacant building, the building must be leased to a viable business which will create the required jobs under this program within 6 months of the date of project completion.

Projects must include project quotes from licensed contractors for each phase of the project. The program will not reimburse for the owner's labor or labor provided by anyone other than approved contractors. Generally three competitive quotes must be provided for each job. In the event that competitive bids are unavailable, then a letter of explanation from the applicant may be reviewed by City staff and accepted if considered a reasonable basis for limiting the quotes.

The City reserves the right to disallow quotes that appear to be, in the opinion of the City, unreasonable or out of the normal parameters of contracting for like work in the area. Contractors must be approved by the City of Bethlehem.

Loan Committee:

Every Building Improvement Loan must be reviewed and approved by the Loan Committee. An additional level of approval may also be required by the Historical Review Board for proposed exterior improvements and signage. It is the responsibility of the borrower/grantee to secure any and all approvals required beyond those granted by the Loan Committee.

The Loan Committee will consist of five (5) voting members, each having one vote and will be comprised of City economic development and community banking specialists as follows:

- COB Director of Budget & Finance
- COB/DCED Deputy Director
- COB/DCED Housing & Community Development Planner
- COB/DCED Business Manager
- RDA Executive Director

Committee meetings will not be held in a public forum due to the confidential nature of applicant information under review. Applicants will not normally be included in Committee meetings but may be asked to attend if circumstances require it. Meetings will be held on an as-needed basis.

The Loan Committee will be provided with adequate financial, business and compliance information necessary to make an informed decision and vote preferably at least one week before a Committee meeting is scheduled. Appropriate information shall include but not be limited to the following:

- Evidence that Applicant's proposal meets goals, objectives and guidelines of the Building Improvement Loan & Grant program
- A summary of underwriting requirements such as project costs, credit reports, property records, sources and uses of funds and repayment terms
- A business plan or suitable substitute document that details the proposed building improvements and plans for commercial use.

General Loan Terms:

General building improvement loans will be limited to the maximum amount of \$60,000 with potentially higher amounts in certain circumstances with the approval from the loan committee. Loans for ADA complainant improvements are limited to \$20,000 and are forgivable over 5 years at a rate of 20% per year. Exceptions to this limitation may be granted by the loan committee

Interest rates will be established by the City of Bethlehem Department of Community and Economic Development staff and approved by the loan committee, but will usually be prime minus 0.5 percent.

A typical loan term will be 5 years, with longer terms at the discretion of the loan committee. Factors include the amount borrowed and client cash flow. Cashflow and project specific considerations may allow for the extension of terms with the approval of the loan committee.

All loans will be collateralized through generally accepted banking standards. Appropriate collateral will be determined on a project by project basis. The City of Bethlehem's Department of Community and Economic development will develop a list of approved appraisers and limit all appraisals to that list. The cost of appraisals (if an appraisal is necessary to verify collateral value) shall be borne by the borrower.

All loans will be required to pay using Electronic Funds Transfer and will be due on the 1st business day of each month. Borrower will pay all associated filing fees which may be rolled into the loan if desired.

Specific Program Guidelines:

City Staff, as program requirements mandate, may modify the specific operational program guidelines from time to time.

APPLICATION CHECKLIST

1. Completed Loan Application, including birth dates and Social Security Numbers of individual applicants.
2. Personal financial information to be attached, including:
 - Three years of the most recent Federal Income Tax Returns
3. Business information to be attached, including:
 - Three years of the most recent corporate income tax returns
 - Three years of the most recent corporate financial statements
 - Three-year of cash flow projection showing new debt service
4. A project summary detailing the sources and uses of all funds going to the project and the end use of the property.
5. Three (3) cost estimates of the work to be completed.
6. Additional information as required by the City of Bethlehem's Loan Committee which may include:
 - Copy of Not for Profit Certification from IRS
 - A notarized statement of permission from owners allowing for property improvements (leased properties)
 - Appropriate Historic Certifications dependent on the applicable district.
 - Plans, sketches or Architectural drawings of the proposed improvements.
 - Wage decision from the City of Bethlehem's Labor Compliance Officer.
 - An appraisal of collateral may be required.
 - Any and all real estate taxes for subject property and collateral must be current.

A \$125 Application Fee must be paid to the City of Bethlehem when the loan application is submitted.

LOAN APPLICATION

PLEASE NOTE: A separate form **MUST** be completed for each: (1) *Proprietor*; (2) *General Partner*; (3) *Limited Partner* (owning 20% or more interest); (4) *Stockholder* (owning 20% or more of voting stock); (5) *Corporate Officer and Director*; and (6) *any other person or entity providing a guaranty* on the loan.

The undersigned hereby submits application and financial statement for the purpose of a loan in the amount of \$ _____.

Purpose of Loan _____

Address of Subject Property

Do you own or rent the subject property: Own / Rent Termination Date of Lease _____

List name of all co owners of the subject property

Number of jobs to be created with loan proceeds: _____

PERSONAL INFORMATION

Contact Name: _____ Title: _____

Date of Birth: _____ SS Number: _____ No. of Dependents: _____

Name of Organization _____

Address: _____

City, State, & Zip Code: _____

Email Address: _____ Phone: _____

For the purpose of determining eligibility for the proposed community development activity, the following information is necessary. Each individual should indicate the number of persons living in the household and check the appropriate income range for the corresponding total income

FAMILY SIZE	EXTREMELY LOW INCOME (0% TO 30% OF MEDIAN)	VERY LOW INCOME (30% TO 50% OF MEDIAN)	LOW INCOME (50% TO 80% OF MEDIAN)	OVER INCOME (Over 80% of Median)
1 PERSON	\$0 - \$14,500	\$14,501 - \$24,150	\$24,151 - \$38,600	Over \$38,601
2 PERSONS	\$0 - \$16,550	\$16,551 - \$27,600	\$27,601 - \$44,100	Over \$44,101
3 PERSONS	\$0 - \$20,160	\$20,161 - \$31,050	\$31,051 - \$49,600	Over \$49,601
4 PERSONS	\$0 - \$24,300	\$24,301 - \$34,450	\$34,451 - \$55,100	Over \$55,101
5 PERSONS	\$0 - \$28,440	\$28,441 - \$37,250	\$37,251 - \$59,550	Over \$59,551
6 PERSONS	\$0 - \$32,580	\$32,581 - \$40,000	\$40,001 - \$63,950	Over \$63,951
7 PERSONS	\$0 - \$36,730	\$36,731 - \$42,750	\$42,751 - \$68,350	Over \$68,351
8 PERSONS	\$0 - \$40,890	\$40,891 - \$45,500	\$45,501 - \$72,750	Over \$72,751

Please also indicate if:	Ethnicity: (Must Select One)
<input type="checkbox"/> The head of household is a person with a disability <input type="checkbox"/> The head of the household is a female	<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino

Race: (Must Select One)	
<input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander	<input type="checkbox"/> American Indian/Alaskan Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaskan Native & Black/African American <input type="checkbox"/> Other Multi-Racial

Residency: (Must Check one):	Address:
<input type="checkbox"/> City Resident <input type="checkbox"/> Non-City Resident	

"Any false statements made knowingly and willfully may subject the signer to penalties under Section 1001 and 1010 of Title 18 of the United States Code".

Interviewer Signature Date

Respondent Signature Date

SOURCE OF INCOME	
Salary	\$
Net Investment Income	\$
Real Estate Income	\$
Other Income (describe below)*	\$

DESCRIPTION OF OTHER INCOME

**Alimony or child support payments need not be disclosed unless it is desired to have such payments counted toward total income.*

BANK ACCOUNT INFORMATION

BANK NAME	ACCOUNT #	TYPE OF ACCOUNT	CURRENT BALANCE
1.			
2.			
3.			

STOCKS & BONDS OWNED – Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.

# OF SHARES	NAME OF SECURITY	COST	MARKET VALUE QUOTATION/EXCHANGE	DATE OF QUOTATION/EXCHANGE	TOTAL VALUE

ASSETS		LIABILITIES	
Cash on Hand & in Banks	\$	Accounts Payable	\$
Savings Accounts	\$	Notes Payable to Banks & Others	\$
RA or other retirement account	\$	Installment Account (auto)	\$
Accounts & Notes Receivable	\$	Mo. Payments	\$
Life Insurance–Cash Surrender Value Only	\$	Installment Account (other)	\$
Stocks & Bonds	\$	Mo. Payments	\$
Real Estate (please provided detailed list below)	\$	Loan on Life Insurance	\$
Automobile–Present Value	\$	Mortgages on Real Estate	\$
Other Personal Property	\$	Unpaid Taxes	\$
Other Assets	\$	Other Liabilities	\$
Total Assets	\$	Total Liabilities	\$

REAL ESTATE OWNED – List each parcel separately. Use attachments if necessary. Each attachment must be identified as part of this statement and signed.

	PROPERTY A	PROPERTY B	PROPERTY C
Type of Property			
Name & Address of Title Holder			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

CURRENT DEBTS - Please list all banks, stores, finance companies, credit unions, and revolving lines of credit. Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.

DEBTOR NAME	ORIGINAL BALANCE	CURRENT BALANCE	FREQUENCY (MONTHLY, ETC)	TYPE OF COLLATERAL USED TO SECURE/ENDORSE
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

UNPAID TAXES – Describe in detail, as to type, to whom payable, when due, amount, and what to any property, if any, a tax lien attaches.

OTHER PERSONAL PROPERTY & ASSETS – List name and address(es) of lien holder(s), amount of lien, terms of payment, and if delinquent, describe delinquency.

OTHER LIABILITIES – Describe in detail.

LIFE INSURANCE HELD – Give face amount and cash surrender value of policies-name of insurance company and beneficiaries.



BUSINESS INFORMATION

Business Name: _____

Business Street Address: _____

City, State, & Zip Code: _____

Business Phone: _____ Fax Number: _____

Business Description: _____

Year Established: _____ Years at Location: _____ Is Location Leased or Owned? _____

Name of Landlord or Mortgage Holder: _____ Annual Payment: _____

Lease Expiration Date: _____ Renewal Terms: _____

Identify the number of new and/or retained employees that will result from this project: (**note – job creation estimates must be achieved within three years*) New _____ Retained _____

Provide job descriptions for new and retained employees: _____

TYPE OF ENTITY

- C Corp Trust/Estate Non-Profit LLC
- S Corp Property Owner Non-Profit Authority Personal Residence
- Partnership Sole Proprietorship

C.P.A.'s Firm Name: _____ Contact Person: _____

C.P.A. Address: _____

City, State, & Zip Code: _____

Phone Number: _____ Fax Number: _____

Davis – Bacon Labor Standards

The loan funds used by the City of Bethlehem are not local tax dollars, but federal funds from the Community Development Block Grant Program.

Because these funds are federal dollars from the U.S. Department of Housing and Urban Development, an important federal provision must be met. The Labor Standards Provision of The Davis-Bacon Act states that all workers on federal or federally related projects must be paid the prevailing wage rate in that labor market. Therefore, any new constructions and/or rehabilitation project costing \$2,000 or more must comply with the Davis-Bacon wage rates.

The applicant must include a wage decision that will be supplied by the City in the request for bids made to contractors.

When the Contractor is selected for a project, the contractor must contact the City's Labor Compliance Officer at 610-865-7085 to schedule a pre-construction meeting for Davis-Bacon compliance and labor compliance regulations before any work is started on the project.

The contractors will be responsible for providing weekly payroll forms to the City's Labor Compliance Officer. These forms are similar to the payroll forms used by most businesses. Information items include the employee name, wage rate, hours worked and deductible items.

The wage rates have been set and must be paid to all employees working on a federally financed construction project. Owners of the contracting companies are exempt from the prevailing wage rate payment.