

## ORDINANCE NO. 2014-08-8169

**AN ORDINANCE ESTABLISHING AND APPROVING THE UPPER STORY RESIDENTIAL GRANT PROGRAM AND AUTHORIZING THE DIRECTOR OF PLANNING TO ADMINISTER THE PROGRAM AND PROVIDE FINANCIAL ASSISTANCE TO ELIGIBLE APPLICANTS FOR COMPLETION OF INCOME PRODUCING RESIDENTIAL UNITS IN HISTORIC DOWNTOWN PADUCAH.**

WHEREAS, the City of Paducah desires the proper and orderly development or redevelopment of vacant, orphaned, or underutilized residential properties located within its corporate boundaries and insuring the integrity and quality of its existing historic commercial district; and

WHEREAS, the City of Paducah's economic well-being is related to and dependent upon, sustained growth of its tax revenue base through the proper and orderly development or redevelopment of vacant, orphaned, or underutilized commercial/residential properties located within its corporate boundaries; and

WHEREAS, the City of Paducah desires to promote the inhabitation of upper story unused space within buildings located within the Historic Downtown or construction of new residential units on vacant land within the Historic Downtown; and

WHEREAS, new residential rehabilitation will act as a catalyst to preserve the structures within the Historic Downtown.

WHEREAS, the City of Paducah desires to commit funds for the establishment of the Upper Story Residential Grant Program (the "Program"), which will be utilized to accomplish the goals of the City of Paducah by providing funds to eligible applicants for the purpose of building new residential/commercial structures or rehabilitating existing structures in the Historic Downtown for residential use; and

WHEREAS, this Program will encourage new residential units located in the Historic Downtown where infrastructure and services are in place and promote quality residential redevelopment consistent with the character of the adjacent structures.

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

## **ARTICLE I**

### **Section 1 Title**

1.1 This ordinance shall be known and may be cited as the "Upper Story Residential Grant Program (USRG)" Ordinance of the City of Paducah".

### **Section 2 Purpose**

2.1 This ordinance is intended to facilitate new residential units on the upper floors of new or existing structures by property owners within the Historic Downtown (Map #1). It will encourage the inhabitation of this unused space within the downtown area and serve as a catalyst to preserve the structures that give downtown Paducah its unique sense of place

### **Section 3 Definitions**

3.1 Project Manager. The Director of Planning or his designee.

3.2 Upper Story Residential Rental Unit. A self-contained housing unit that occupies only part of a building.

### 3.3 URCDA. Urban Renewal and Community Development Agency

#### Section 4 General Provisions

##### 4.1 Eligibility

- a. Applications for a grant under the Program will be reviewed by the Project Manager upon the criteria outlined herein to determine eligibility.
- b. All property receiving the financial assistance under the Program shall be located within the Historic Downtown (Map #1).
- c. Program parameters include:
  1. The USRG Program will target structures that have vacant upper stories or upper stories that are part of new construction.
  2. The grant portion of the project must be for the interior renovation of an existing building only or the construction of new upper story residential units.
  3. All required permits (i.e. zoning, building, etc.) must have been obtained and the property must be free of liens held by the City of Paducah and all property taxes must be paid.
  4. Third party construction estimates by a qualified contractor and owner's proof of financial ability to complete the project will be required.
  5. Each grant shall not exceed 20% of the total Upper Story Residential Rental Unit costs or 20% of building permit received from the City of Paducah Fire Prevention Division. A maximum of \$15,000 per Upper Story Residential Rental Unit will be allocated. Upper Story Residential Unit costs shall be determined.
  6. A City of Paducah letter of financial commitment will be given to the owner upon final approval of the grant by URCDA or City Commission.
  7. Eligible buildings shall have upon completion of project, a sustainable leak proof roofing system.
  8. All projects shall comply with all applicable building codes.
  9. All projects shall be completed within one (1) year of the date that the grant is awarded. Any extension beyond one (1) year must be requested by the owner and approved by the Urban Renewal and Community Development Agency (URCDA).
  10. Proof of builders risk insurance must accompany each application.
  11. Sketches, drawings, architectural plans, Photoshop renderings or other similar visuals that will provide the Main Street Design Committee and URCDA with sufficient information to evaluate the improvements being proposed.
  12. A sample board that shows proposed materials and finishes must accompany the application.
  13. All projects funded by the USRG shall meet the following minimum required materials and finishes.

- i. Walls/Interior: Interior should be of a “finished” quality. Materials should be exposed brick, finished plaster or smooth finished sheetrock with baseboard, crown and door moldings as appropriate to the design of the space.
- ii. Floors: Refinished or new installed hardwoods, cork, bamboo, minimum 8 mm laminates, floating or engineered floors, polished, stained or sealed concrete, ceramic tiles or stone in baths and kitchens. No vinyl flooring.
- iii. Countertops: Solid surface, stone, granite, sealed concrete, or stainless steel. No laminate.
- iv. Appliances should be new and energy-star rated.
- v. Windows: Windows should be treated according to the Secretary of Interior Standards and efforts should be made to make them as energy-efficient as possible.
- vi. Hardware: Faucets, cabinet hardware and light fixtures should be either of new and higher quality or be refurbished vintage fixtures of higher quality.

## **Section 5 Administration**

### **5.1 Staff**

- a. The Project Manager shall perform the following duties:

1. Preparation of the necessary applications, financial statements, a summary of the commitments to the rules and regulations of the program, and such other forms to be executed in administering the program. The appropriate forms shall include, along with other data deemed appropriate, Upper Story Residential Grant Program application, verified proof of all ownership interests and financial qualifications.
2. Review the eligibility of the applicant based on the requirements of this ordinance, review the data provided on the forms required as part of the application procedure and make a recommendation to the URCD. A.
3. Maintain a list of approved contractors based upon satisfactory references on past work performed.
4. Determine whether the proposed work to be performed meets the parameters of this ordinance and whether the cost to complete that work is reasonable. Said determination shall be in writing and kept on file as part of the application.
5. Conduct appropriate, periodic inspections of the work being done and, when satisfactorily completed, issue a certificate of compliance bearing the date the certificate was issued. A copy of this certificate shall be kept as part of the file.

### **5.2 Funding**

- a. The City of Paducah may make annual budgetary appropriation as it deems necessary to fund the program established by this ordinance and the administrative costs associated therewith.

## **Section 6 Procedures for Making Application, Review and Approval**

### **6.1 Application**

- a. Applications will only be accepted as funds are available. Third party construction estimates and proof of financial ability from a qualified financial institution will be required.

b. Applications and other required forms shall be made available at the Department of Planning. Technical assistance shall be available from that office to assist applicants in completing and submitting an application. There may be no fee for filing an application.

## 6.2 Review

a. The Project Manager shall determine the completeness of the application. Incomplete applications will not be processed.

b. Upon a determination of completeness, the Project Manager shall make a determination as to whether the applicant meets the eligibility criteria under the Program.

c. Upon a determination that the applicant is eligible under the Program, the Project Manager shall forward the application to the Main Street Design Committee if it is determined that the exterior portions of the structure that are ordinarily visible from the public right of way are being altered. The Design Committee shall make design recommendations to the applicant within 15 days of receipt of the application and forward the application to the URCDA. If the design committee fails to review and forward the URCDA within 15 days, the application will be forwarded directly to the URCDA for review by the project manager.

d. Upon a determination that the applicant is eligible under the Program, and no exterior modifications are being completed that are visible from the public right of way, the Project Manager shall forward the application to the Urban Renewal & Community Development Agency (URCDA) for consideration.

e. If multiple applications are received, the URCDA will review rankings in accordance with the following criteria to determine applicant's eligibility.

1. Total private investment of residential rehabilitation project. 25%
2. Contributing structure on the National Register of Historic Places. 25%
3. Rehabilitation in compliance with the National Parks Secretary of the Interiors Standards. 25%
4. Capital commitment of owner to rehabilitate remaining structure (façade, roof, retail space). 25%

f. URCDA shall have the authority to approve all multi-unit projects that do not exceed \$60,000 in Upper Story Residential Grant funds. Projects in excess of \$60,000 of Upper Story Residential Investment Grant funds will be forwarded to the City Commission for approval.

g. Grant awards may be given based on availability of funds.

## 6.4 Property Owners Obligations upon Grant Approval from the City of Paducah.

Property Owner shall deliver to the Project Manager the following documents in fully executed form:

a. A duly executed construction contract between the Property owner and the approved contractor outlining the rehabilitation work to be performed, the cost to be incurred, including an amount for retainage to assure the acceptable completion of the construction, and the time of performance. This contract must be reviewed by, and acceptable to the Project Manager.

b. Any other documents which may be requested by the Project Manager upon approval.

## 6.5 Disbursement of Grant.

a. Subject to the terms and conditions hereinafter provided, the property owner shall be entitled to draw proceeds from the grant when 100% of rehabilitation work has been

completed. Under no circumstance will funds be advanced. However, notwithstanding the foregoing, disbursement shall only be made when the following condition precedents shall have been satisfied:

1. The Property Owner shall submit for the Project Manager's review a written request for reimbursement. The written request shall be signed by both the approved contractor and the Property Owner.
2. The Property Owner shall provide to Project Manager a certification executed by the approved contractor which shall certify the aforesaid costs incurred in the construction process have been paid in full.
3. The Property Owner shall provide to Project Manager interim mechanics' or materialmen lien waivers to be executed by the approved contractor, subcontractors, materialmen and/or their employees or agents.
4. The Project Manager has verified that the construction is in accordance with building and construction plans and specifications.
5. The Property Owner has complied with the terms of this ordinance.

b. In the event all of the foregoing condition precedents are fully satisfied, the Project Manager shall within ten (10) business days following date of request remit directly to the approved applicant the permitted amount of draw.

c. In the event all of the foregoing condition precedents are not fully satisfied, the Project Manager shall have the right, at his discretion, to refuse the request in total until such time as all condition precedents are satisfied, or pay such portion of the request that the Project Manager deems appropriate. Additionally, the Project Manager shall have the right to pay the grant proceeds directly to any creditors who have provided labor or materials for the construction or the rehabilitation work, which payments shall be deemed for and in behalf of the Property Owner and as a part of the grant hereunder. The Project Manager's determination shall be binding and final upon the Property Owner and the approved contractor.

6.6 Issuance of Certificate of Completion.

Following completion of the work, the Project Manager shall inspect the Upper Story Residential Units and certify whether or not the work has been satisfactorily completed. If the work is sufficient, a Certificate of Completion shall be issued.

ARTICLE II

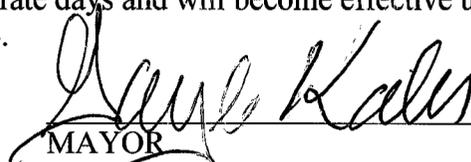
If any section, subparagraph, sentence, clause or phrase of this Ordinance shall be held to be invalid, such decision shall not invalidate the remaining portion of this Ordinance.

ARTICLE III

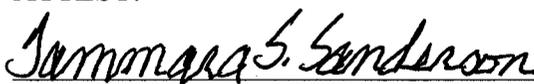
All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.

ARTICLE IV

This Ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

  
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 MAYOR

ATTEST:

  
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 City Clerk

Introduced by the Board of Commissioners, July 22, 2014, 2014

Adopted by the Board of Commissioners, August 12, 2014

Recorded by City Clerk, August 12, 2014

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