



DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (DHCA)
COMMUNITY DEVELOPMENT DIVISION
NEIGHBORHOOD REVITALIZATION SECTION

COUNTYWIDE FACADE IMPROVEMENT PROGRAM GUIDELINES

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PROGRAM OVERVIEW AND ADMINISTRATION

The Countywide Facade Improvement Program (Program) was established to provide technical and financial assistance to property and business owners throughout the County to spur the undertaking of a physical improvements (Project) on their building and property facades (exteriors). The goal of the Program is to help ensure that older commercial properties are improved to meet today's commercial standards and have visually appealing and inviting exteriors.

Program staff is responsible for providing technical and advisory services to ensure proper and efficient administration of the Program, including timely processing of payments to approved program participants for all eligible improvement costs incurred under the Program.

To be eligible to participate in the Program, the Program applicant and the property owner if different from the applicant, must execute a Participant Agreement (Agreement) with the County (Program Participant), whereby the County agrees to reimburse Program Participants up to 50% of eligible costs incurred as part of a County-approved Project. Reimbursement of eligible Project costs is dependent upon the applicant and the property owner if different from the applicant, executing a façade easement for the benefit of the County (Easement). As detailed later in these guidelines, the Easement sets out the dollar amount the County will pay a Program Participant for a completed Project and the period of time that the Program Participant agrees to maintain the completed County-approved improvements to the façade (Easement Term).

Program Participants wishing to alter completed Project improvements prior to the end of the Easement Term may do so upon written request to DHCA or through repurchase of the remaining Easement Term. The repurchase formula is detailed on page 7.

The overall objective of the Program is to facilitate aesthetically pleasing commercial centers within the County, resulting in safer, more inviting shopping facilities that will spur increased patronage and promote desired neighborhood revitalization throughout the County.

PROGRAM TERMS AND CONDITIONS

Approved Program Participants must enter into a Project Agreement (Agreement) with the County. This Agreement will detail the Project funding offered by the County and the correlating easement purchase terms and conditions (as noted below). This Agreement must be signed and returned to DHCA within ten (10) business days of receipt. The property owner, if different from the Program Applicant, must also sign the Agreement.

Along with the executed Project Agreement, Program participants must provide DHCA with the following information and/or documentation:

- property Tax ID number; and
- certificate of insurance for the property's casualty and liability insurance naming Montgomery County as an additional insured; and
- if the Program Participant is a business entity with a Board of Directors or a Managing Member, a resolution from the Board or the Managing Member accepting the terms of the Agreement and authorizing the Participant to sign the Agreement on behalf of the business entity; and
- letter from the construction contractor indicating both the anticipated start and completion dates for the Project; and
- a current title report for the property paid for by the Program Participant.

FUNDING LEVELS AND EASEMENT TERMS:

Program Participants will be reimbursed for up to 50% of the eligible Project costs, up to \$500,000*. The County’s participation in an easement purchase will always be based on available funding at the time the Agreement is executed.

The following are the Program’s Project funding levels and corresponding Easement Terms:

Project Funding Level	Facade Easement Term
Up to \$150,000	Three (3) years from the Easement being recorded in County land records (Easement Recordation)
\$150,001- \$350,000	Five (5) years from Easement Recordation
\$350,001- \$500,000	Seven (7) years from Easement Recordation, with lien subordination required**

*Funding above \$500,000 MAY be available at the discretion of the Director of DHCA based on the availability of Program funds AND evaluation of the overall scope of improvements on a per-Project basis.

For Agreements with a County easement purchase price of more than \$350,000 **AND for Project properties with a mortgage or deed of trust, the first/senior mortgagor or trust holder **must agree to subordinate their lien** to the County’s façade easement (the County will provide the required subordination agreement to participants).

ELIGIBILITY REQUIREMENTS

An eligible Program applicant is:

- the owner of the commercial or mixed-use property; or
- a lessee of the property, if the terms of the lease give the lessee legal authority to make any or all eligible façade improvements or the owner of the property agrees, in writing, to allow lessee to participate in the Program.

Employees of DHCA and their family members are NOT eligible to apply for this Program. The participation of other County employees may require the review and approval of the County's Chief Administrative Officer and the County's Ethics Commission.

An eligible property is:

- an existing building more than ten (10) years old at time of application; and
- a commercial or mixed-use building with a substantial retail/commercial component; and
- an existing building four or less stories tall.

Priority consideration will be given to Projects that:

- are located in one of the Program priority areas of Glenmont, Hillandale, Layhill, Long Branch, Montgomery Village or Wheaton; and/or
- are located in an Equity Focus Area* within the County; and/or

- are mixed-use, but not exclusively used for or converted to housing; and/or
- have significant first floor retail.

**For more information and a map showing Equity Focus Areas, [click here](https://montgomeryplanning.org/planning/equity-agenda-for-planning/the-equity-focus-areas-analysis/) or visit <https://montgomeryplanning.org/planning/equity-agenda-for-planning/the-equity-focus-areas-analysis/>.*

ELIGIBLE COSTS

Eligible Program costs include expenditures for architectural and engineering design services and expenditures related to the overall façade improvement project. The following are some of the most common Project elements reimbursed under the Program.

Building elements as follows:

- removing the existing facade and/or center signage features necessary for planned improvements; and/or
- cleaning of building exterior; and/or
- painting of building exterior; and/or
- installing new windows and/or doors; and/or
- installing new canopies/awnings; and/or
- exterior electrical work (i.e., burying and/or relocating electrical wires/poles).

Signage elements as follows:

- cleaning existing affixed and/or detached property signage; and/or
- installing new, affixed building and/or property/center pylon signage.

Site/Landscape elements as follows:

- installing new building and/or property lighting; and/or
- installing new landscape features, ideally low-maintenance, non-invasive species.

Parking Lot/Paving Elements as follows:

- parking lot and/or sidewalk repaving/replacement, (i.e., new asphalt, concrete, pavers, etc.); and/or
- reconfiguring and/or restriping parking lot to accommodate increased parking and/or improved vehicular entrance/egress.

Public Amenity/Art Elements as follows:

- installing convenience features, including affixed benches or other permanent, outdoor seating, with priority given to elements that introduce/contain artistic features (i.e., painted benches, decorative tables, etc.); and/or
- new or refurbished exterior wall murals and/or commissioned or purchased public art sculptures/features, ideally located in highly visible areas of the property; and/or
- installing other artistic elements included and approved as part of the overall improvement Project design.

INELIGIBLE COSTS

Costs incurred for any architectural and engineering design services and/or renovation work prior to the County's approval of a Program Participant's Project, as demonstrated by an executed Agreement with the County, are ineligible for reimbursement. Additionally, costs for interior improvements, unless directly required as part the submitted and approved exterior facade Project, are ineligible for reimbursement.

APPLICATION PROCESS

Interested property and/or business owners must complete a Program Interest Form (Form) found at www.montgomerycountymd.gov/DHCA/community/neighborhood/facade.html. Both in-person and online Program information sessions will be held periodically, and notification of such sessions will be sent in advance to interested parties at the contact information provided on the Form.

Those interested in applying for Program participation will then complete a Program Application (Application) for review by DHCA. Applications are accepted on an ongoing basis and are reviewed and evaluated on a first-come, first-served basis.

Required Application information includes:

- property owner name, phone number and email address; and
- property lessee's name, phone number and emails address, if applicable; and
- property or business address for which the application is being submitted; and
- number of years of property ownership or lease expiration date for leased properties; and
- age of property at which façade improvements will be implemented; and
- for property owners, number of current tenants and vacancies at the subject property; and
- for lessees, total number of full-time and part-time employees; and
- general description of planned, eligible Project improvements; and
- estimated budget for Project improvements; and
- signature of the property owner, and lessee, if applicable.

Applicants approved for Program participation will be notified by Program staff via email. Program Participants must then submit complete architectural and engineering concept design documents and cost estimates to DHCA in a timely manner for review and feedback by DHCA's Architectural Review Committee (Committee) before Project commencement. Additionally, DHCA may provide a list of architectural design firms who have provided design services for other Program Participants in the past. However, Program Participants are not required to use any of these firms, nor does DHCA recommend the firms provided on the list.

Design documents submitted to DHCA must include, at a minimum:

- design drawings, material samples, color selections and manufacturer information; and
- detailed, line-item cost estimate for each construction material component received from

licensed contractors and vendors.

After reviewing the recommendation of the Committee, the DHCA Director, in the Director's absolute and sole discretion, makes a final decision concerning whether the Project is approved for funding and the Program Participant can begin work on the Project. The Director's decision is final. ALL PROJECTS ARE SUBJECT TO THE AVAILABILITY OF FUNDS.

PROJECT COMMENCEMENT AND PUBLIC NOTICE:

Following the Director's approval of the Project, and the Program Applicant's return of the executed Agreement, a Program Participants must have their architects complete design and construction documentation for the Project. All construction activities for the Project must be completed within a reasonable timeframe. Project extensions are granted at the discretion of the DHCA Director. The Program Participant is responsible for obtaining all required construction permits from the County.

During construction of the Project, the Program Participant (and the property owner if different from the Program Participant) must allow the County to install signage acknowledging the Project's funding and support from the Program. The sign text will read something like, **"Funding and Support for this Project Provided by the Countywide Façade Improvement Program Administered by DHCA's Neighborhood Revitalization Section. Call 240-777-3644 to learn more."**

Additionally, public notice for Projects with Easement Terms of Five (5) or more years shall invite written comment to DHCA concerning the County's purchase of the Easement, with a deadline date for receiving public comment of no more than 30 days after the public notice.

DHCA shall take steps to notify the general public of the proposed Easement purchase, along with the Project location and general scope of work. This may include, but not limited to, posting by signage at the Project site, electronic notification via online news/public information outlets, and/or notice via local community meetings/forums and DHCA's website.

In addition to the public notice, notices of the County's proposed Easement purchase shall be sent to all property owners within 500 feet of the Project property/site.

EASEMENT RECORDATION AND PARTICIPANT REIMBURSEMENT:

A Program Participant must submit to DHCA, within forty-five (45) days of the Project's completion, all invoices and receipts for eligible Project costs. Upon review and approval of the submitted invoices and receipts, and the recordation of the Easement and any required subordination agreement among the County's land records, DHCA will issue a check for the reimbursement payment within thirty (30) days.

COMPLETED PROJECT INSPECTIONS AND MAINTENANCE REQUIREMENTS:

Proper maintenance of a completed Project is a requirement of the Program, as provided in the Agreement. Thus, each completed Project will be inspected by DHCA periodically during the Easement Term to ensure Project elements are maintained and unaltered, based on the submitted and approved design plans.

Within 15-days of such inspection, DHCA will provide, if needed, written notice to the Program Participant (and the owner of the property if not the Program Participant) of any observed damage, deterioration (other than normal wear and tear) and/or unapproved alterations to the Project.

Noted damage and/or unapproved alterations must be remedied by the Program Participant within the timeframe provided in DHCA's written notice. The timeframe will be based on the level of damage and/or unapproved alterations observed during inspection.

The Easement will provide that if the Program Participant fails to make the required repairs and/or restore unapproved alterations back to the design approved by the County within the timeframe required by the County, the County may pursue any legal option available if the Program Participant does not comply with the Easement, including but not limited to, specific performance of the Easement requirements.

EASEMENT REPURCHASE FORMULA:

A Program Participant may, upon written request to DHCA, repurchase the Easement prior to the end of the Easement Term. For example, the repurchase payment for an original seven-year Easement Term purchased by the County for \$350,000 and repurchased by a participant after four years is calculated based on the following formula:

- Step 1 - Multiply the original Easement Term by 12 (7-year term x 12 = 84-month term); then
- Step 2 - Divide the original easement purchase amount by the number of months in the term ($\$350,000/84 = \$4,166.67$ monthly term value); then
- Step 3 - Subtract the length of the term held to date (in months) from the original term (in months) $84 \text{ months} - 48 \text{ months} = 36 \text{ months}$ left in term; and then
- Step 4 - Multiply the remaining months left in the term by the monthly term value to get the total easement repurchase amount ($36 \text{ months} \times \$4,166.67/\text{month} = \$150,000.12$). This is the repurchase amount.

These Countywide Façade Improvement Program Guidelines adopted July 26, 2022, supersede all previous Facade and/or Retail Center Signage Guidelines.

Approved,

Aseem Nigam

Aseem K. Nigam, Director
Department of Housing and
Community Affairs

Date: July 27, 2022