



**Town of Southbridge
ARPA Commercial Rehab Loan Program**

**Economic Development
and Planning Office**

**Application for Property Owners to rehab commercial properties
to increase storefront use**

Building Address: _____

Building Owner: _____

Town Tax Collector Signature Required: _____
(MGL Ch. 40, § 57)

For Office Use Only:

Application Received Date

Commercial Property Improvement Program

Note: Please check all the requests for this application only.

- Commercial kitchen to open a restaurant
- Sprinklers to allow for a commercial kitchen
- Elevator to allow for assembly or office use on upper levels
- Other: _____

1. APPLICANT INFORMATION

Property Owner (Legal Entity): _____

Address: _____

Do you have a business in the property? _____

Phone _____ Fax _____ E-mail _____

Cell Phone _____

2. BUSINESS DESCRIPTION

If you have a business in the building, how long has the business been operational? What is the business name and what kind of business is it?

Number of businesses in the building (including your own) _____

Kinds of businesses in the building (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Building materials, hardware, garden supply | <input type="checkbox"/> florist |
| <input type="checkbox"/> General merchandise group store | <input type="checkbox"/> news dealer/news stand |
| <input type="checkbox"/> Food store | <input type="checkbox"/> miscellaneous retail |
| <input type="checkbox"/> Automotive | <input type="checkbox"/> hotel/motel/other |
| <input type="checkbox"/> Apparel/accessory store | <input type="checkbox"/> personal services |
| <input type="checkbox"/> Furniture, home furnishings, equipment | <input type="checkbox"/> business services |
| <input type="checkbox"/> Eating/drinking establishment | <input type="checkbox"/> professional services |
| <input type="checkbox"/> Drug/proprietary store | <input type="checkbox"/> educational services |
| <input type="checkbox"/> Liquor store | <input type="checkbox"/> social services |
| <input type="checkbox"/> Specialty store | <input type="checkbox"/> financial institution |
| <input type="checkbox"/> Jewelry store | <input type="checkbox"/> other: _____ |

3. PROPERTY INFORMATION: for _____
(building address)

Deed Date _____ Deed Book # _____ Page # _____

Assessors Map _____ Lot _____

Assessed Property of Land and Building: _____

Is this property registered in Land Court? _____ Yes _____ No

Briefly describe the condition of the building and what work you would like us to consider that will help increase the use of the building and our local economy.

Is this property a known brownfields site? _____

Terms of existing leases (if applicable):

1. Business: _____ Begin Date: _____ End Date: _____

2. Business: _____ Begin Date: _____ End Date: _____

3. Business: _____ Begin Date: _____ End Date: _____

4. Business: _____ Begin Date: _____ End Date: _____

Is your establishment currently handicapped accessible? _____ Yes _____ No

Please describe the current access conditions. (*Façade improvement projects need to provide for "readily achievable" access if the building is not already accessible*)

Is the building registered on the MA Registry of Historical Places

Yes _____ No _____ Don't Know _____

Please list existing historical or architectural elements of the building:

4. FINANCIAL INFORMATION

First mortgage lender: _____

Second mortgage lender: _____

Are there any other outstanding debts (mortgages, encumbrances, liens, attachments) against the property? _____ Yes _____ No

If "yes", please list and explain on separate sheet.

5. BUILDING USE INFORMATION

Gross square feet: _____ Net useable space: _____

Number of vacant commercial units: _____

Number of occupied residential units in the building: _____

Number of vacant residential units: _____

Appraised Value (if appraised within last 12 months): \$ _____

Number of entrances and exits: _____ Where do customers park?

Where do you park? _____

Are you a member of the Southbridge Business Partnership? _____

Are you a member of the Chamber of Central MA South? _____

7. APPLICANT CERTIFICATIONS

I hereby certify that all information provided in this application is accurate and true to the best of my knowledge, and that it is my intention to comply with the requirements of this program. Further, I agree to maintain the completed project throughout the term of the deferred payment loan.

I hereby grant permission to the Town of Southbridge to obtain a credit report (s) from a certified credit bureau for the property owners. I also understand that a modified title search (a “title rundown”) will be performed as part of the qualification process.

All information obtained as part of this application will be held in strict confidence by the Town of Southbridge and will NOT be provided to elected or appointed officials, other town employees, or the public.

Property Owner’s Signature

Date

Property Owner’s Signature

Property Owner’s Signature

8. REQUIRED ATTACHMENTS - You must provide all of the following documentation in order for your application to be considered complete.

- Copy of property deed
- Evidence of property insurance (certificate of insurance)
- Evidence that mortgage is not in arrears or in the process of foreclosure. Example: copy of your most recent mortgage statement showing principal balance, current payment amount and due date, past due amount.
- Cost estimate for proposed project and supporting documentation, i.e. contractor quote provided within 90 days of the application.



TOWN OF SOUTHBRIDGE

www.ci.southbridgema.us

Tel 508-764-5402
FAX 508-764-5425

Office of Economic Development & Planning
41 Elm Street, Southbridge MA 01550-2638

ARPA Loan Program Design:

0% loan for commercial building owners in Southbridge's Qualified Census Tracts (QCTs)¹ to fund rehabilitation of commercial properties, which include code requirements and building improvements hindering optimum use of property for the benefit of the local economy and residents, and storefront/ façade improvements². (See map of QCTs on p.2.)

Criteria:

- 0% loans for property owners to fund construction projects intended to increase the use of buildings in the QCT.
- Loans are to be repaid starting 12 months from when funds are released to the property owner.
- The commercial property is liened for the value of the loan using a UCC lien recorded through the Registry of Deeds upon release of funds.
- Proposed work will increase the property use, with a priority for commercial space on the first floor, i.e. sprinklers and commercial kitchen installs to lure back restaurants, an elevator to allow for assembly or office use on upper levels, etc.
- All paperwork showing work completed and funds spent as agreed will be provided to the Town within 12 months of releasing funds to account for how the federal ARPA funds are spent, ensuring Southbridge is able to fulfill its reporting obligations with respect to receipt and expenditure of ARPA funds.
- The Loan period will be for (7) seven years from the time when payments begin/ (8) eight years from the release of funds.
- The Town of Southbridge is required to follow the Uniform Guidance: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>. Recipients are therefore to be chosen in a fair and competitive manner free from conflicts of interest or the appearance of favoritism.
- The Town of Southbridge requires a credit check for each application³ and proof all local taxes associated with the property owner are paid.
- Loan applications will be considered on a first come/ first serve basis for projects that best meet the Town's objectives to increase the use of downtown storefronts.

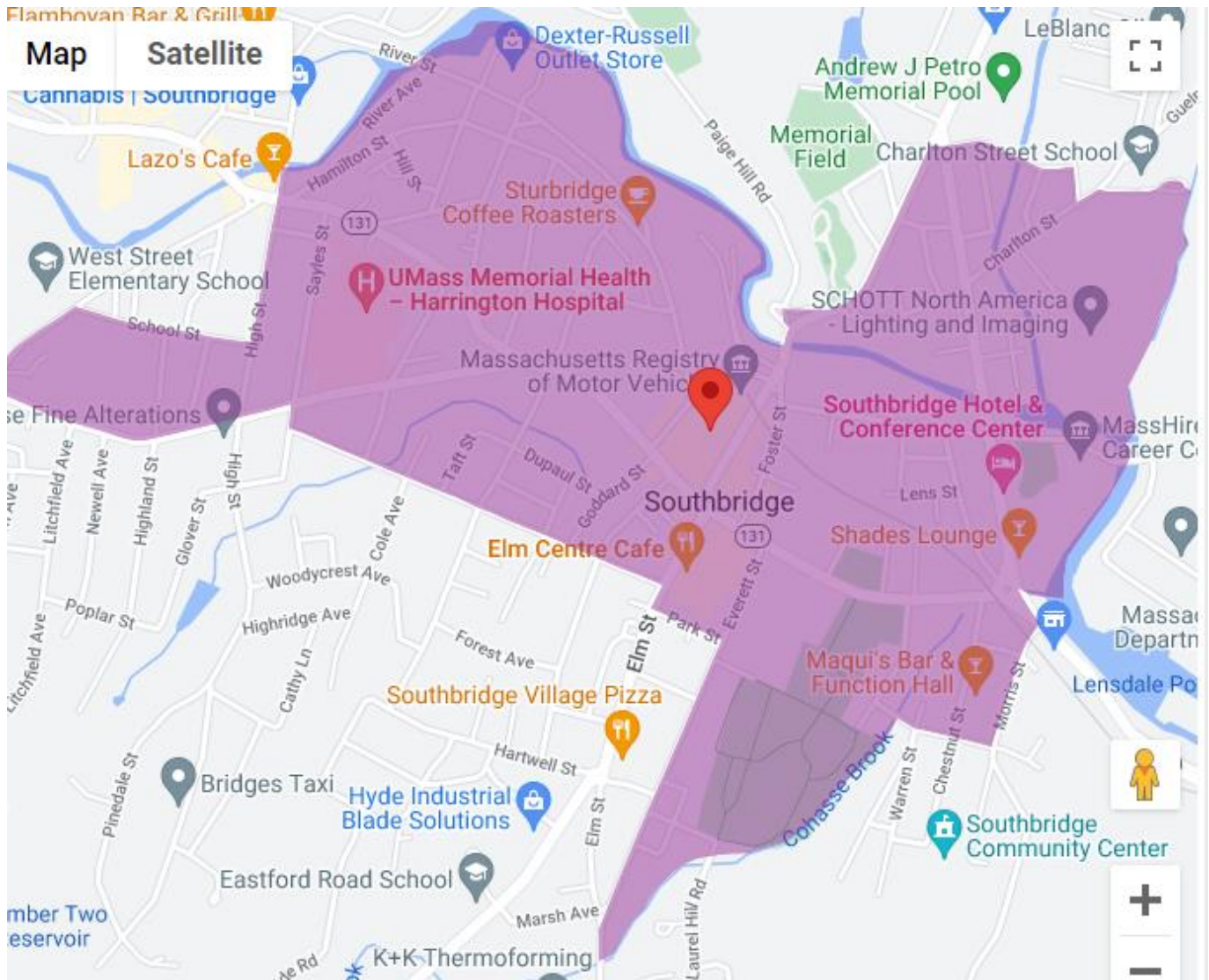
Should the applicant not meet these criteria, the Economic Development and Planning Department may determine the applicant is ineligible at any point during the application process.

¹ <https://www.huduser.gov/portal/datasets/qct.html>: Low-Income Housing Tax Credit Qualified Census Tracts must have 50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more.

² [SLFRF-Final-Rule-Overview.pdf \(treasury.gov\)](#), p.21-22: Disproportionately Impacted Small Businesses: Treasury presumes that the following small businesses are disproportionately impacted by the pandemic: ✓ Small businesses operating in Qualified Census Tracts... Assistance to disproportionately impacted small businesses includes the following enumerated uses, which have been expanded under the final rule: ✓ Rehabilitation of commercial properties, storefront improvements & façade improvements

³ As allowed under https://www.ftc.gov/system/files/ftc_gov/pdf/545A-FCRA-08-2022-508.pdf § 604.

Southbridge's Qualified Census Tracts (QCTs)



Source: https://www.huduser.gov/portal/sadda/sadda_qct.html

ARPA justification: The Town of Southbridge has allocated \$250,000 for the general good of the inhabitants of the town to help reverse the impacts of the COVID pandemic on our local economy, already distressed with a low- and moderate- income (LMI) population of 59.9%.

Within our downtown:

- storefronts closed, namely Spectacle Shop, Fedele's Coffee Shop and Restaurant, Lynda's Bar, and Mario's Restaurant. Some slated to be temporary closures never re-opened.
- Simultaneous to stores and restaurants closing, properties sat, continue to sit, or are for sale, undeveloped in light of the hesitancy to invest in an uncertain economy with inflation rising and the increased cost of construction and supply chain issues, which began due to the pandemic, continuing to drive up overall expenses.
- This area is comprised of our highest percentage LMI census tracts which overlaps our Environmental Justice census tracts where many of the residents speak another language in the home and represent a minority population.

- Our downtown is central to our LMI population’s sense of pride, health, and psychological well-being.
- When stores and restaurants are open, our LMI population has local work for which they can apply and/or has shopping and dining options within walking distance. Our small business owners who may own and operate these stores and restaurants will be more likely to thrive, and our community will be strengthened by having local resources in the downtown.

For all of these reasons, the Town is designating “downtown property owners and businesses that occupy their spaces” as a class⁴ that experienced an impact due to the negative effects of the pandemic. \$250,000 is a proportionate response for this class⁵, as its impact will benefit not only the small business owners in our local economy but all of those from our downtown’s LMI census tracts who can lean on the local economy for workforce opportunities, goods, services, and a feeling of community.

Loans will be funded with SLFRF funds under the revenue loss eligible use category⁶. Funds will be repaid to the Town of Southbridge into a Revolving Loan Fund, with a program end date to be determined at a future date.

⁴ <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>, pp.32-34: Recipients also have broad flexibility to identify a “class” – or a group of households, small businesses, or nonprofits – that experienced an impact. In these cases, the recipients should first identify the class and the impact that it faced. Then, recipients only need to document that the individuals served fall within that class; **recipients do not need to document a specific impact to each individual served**. For example, a recipient could identify that restaurants in the downtown area faced substantial declines in revenue due to decreased foot traffic from workers; the recipient could develop a program to respond to the impact on that class and only needs to document that the businesses being served are restaurants in the downtown area.

⁵ <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>, pp.32-34: “Reasonably proportional” refers to the scale of the response compared to the scale of the harm, as well as the targeting of the response to beneficiaries compared to the amount of harm they experienced; for example, it may not be reasonably proportional for a cash assistance program to provide a very small amount of aid to a group that experienced severe harm and a much larger amount to a group that experienced relatively little harm. Recipients should consider relevant factors about the harm identified and the response to evaluate whether the response is reasonably proportional. For example, recipients may consider the size of the population impacted and the severity, type, and duration of the impact. Recipients may also consider the efficacy, cost, cost-effectiveness, and time to delivery of the response.

⁶ <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>, p.35, Notwithstanding the above, if a recipient uses revenue loss funds to fund a loan, whether or not the maturity of the loan is after December 31, 2026, the loaned funds may be considered to be expended at the point of disbursement to the borrower, and repayments on such loans are not subject to program income rules. Similarly, any contribution of revenue loss funds to a revolving loan fund may also follow the approach of loans funded under the revenue loss eligible use category.