



Buffalo Building Reuse Loan Program

APPLICATION GUIDE

For Downtown Development Projects



Quarter 3 Funding

Date of Issue: July 27, 2018

Application Deadline: September 28, 2018



Program Administered By:

Buffalo Urban Development Corporation (BUDC)
95 Perry Street, Suite 404
Buffalo, New York 14203
www.BuffaloUrbanDevelopment.com
716.856.6525



Andrew M. Cuomo, Governor
Howard Zensky, President & CEO



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**Downtown Development Application Introduction
and Submission Requirements**

Introduction

The Buffalo Building Reuse Loan Program is a financial incentive designed to encourage the adaptive reuse of underutilized properties in Downtown Buffalo. The program provides gap financing for downtown development projects of up to \$750,000 at a maximum 54 months. The loan program is a key strategy of the Buffalo Building Reuse Project (BBRP), which was formed by the Buffalo Niagara Partnership at the request of Mayor Byron W. Brown in 2012.

Loans are offered for redevelopment projects within the BBRP boundary based on established project evaluation criteria. The BBRP boundary includes the key investment areas of the Buffalo Central Business District (CBD) as well as the Buffalo Niagara Medical Campus, Canalside and Larkinville (see Exhibits A & B).

Applications are accepted year round and reviewed quarterly. The first quarterly round will close on **September 28, 2018.**

Original program funds were provided by Empire State Development Corporation's City-by-City Program. The program's funding availability has since been expanded thanks to contributions from Evans Bank, First Niagara, HSBC, KeyBank, M&T Bank and the New York Business Development Corporation following a collaborative effort between BUDC, the Buffalo Niagara Partnership and the City of Buffalo.

Downtown Buffalo Development

Over the past several years, Downtown Buffalo has seen a major increase in development and investment. Nearly \$6.5 billion in economic development activity is underway throughout the City of Buffalo. The majority of this development is occurring due to major developments like the Buffalo Niagara Medical Campus, Canalside, HarborCenter, Catholic Health's Headquarters and IBM. These new developments are bringing over 12,000 new jobs to the downtown area over the next few years.

BUDC is looking capture this new influx of downtown workers and make them downtown residents. Last year, Mayor Byron W. Brown announced his goal to add 2,000 new residential housing units to the downtown area by the end of 2018. Downtown's vast supply of buildings with high development potential paired with downtown's 96% apartment occupancy rate create a great opportunity for the development of additional downtown residential units.

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With dozens of restaurants, nearby theaters, entertainment and nightlife, downtown Buffalo is the fastest growing residential area in the City. Close proximity to major employers and access to public transit make downtown attractive to new employees and further solidify downtown Buffalo as an emerging neighborhood ripe with opportunities for further development.

About the Buffalo Building Reuse Project

The Buffalo Building Reuse Project (BBRP) is our strategic plan for the revitalization of downtown and looks to reduce the number of vacant and underutilized properties through mixed use development, boost residential infill and improve downtown infrastructure and the public realm. The BBRP target area encompasses investment areas integral to greater downtown investment. As outlined in Exhibit A, the BBRP boundary includes the Buffalo Central Business District (CBD) as well as Buffalo Niagara Medical Campus, Canalside and Larkinville. The Buffalo Building Reuse Loan Program is designed to provide gap financing for adaptive reuse projects that further the development of downtown Buffalo.

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Background

The City of Buffalo (City) and BUDC have expanded the program's reach following a collaborative effort with the Buffalo Niagara Partnership and contributions from area banks. Low interest gap financing is available to projects that meet the guidelines and criteria contained in the Buffalo Building Reuse Project (BBRP) report and boundaries map (Exhibits A & B) with a particular focus on:

- Adaptive reuse of vacant or underutilized Class B & C commercial structures or new construction on vacant lots in strategic locations;
- Mixed-use projects with a significant proportion of residential units, and that include a storefront or first-floor retail use;
- Target investment areas within downtown that will leverage existing residential developments or other anchor economic drivers to begin to create the critical mass necessary to support new retail and other neighborhood services and amenities;
- Projects that are proximate or linked to public transit facilities and/or that provide opportunities for other sustainable transportation modes.

This Funding will generally be offered as one of two loan types:

1. Short-term bridge (Construction) financing, \$750,000 maximum loan, 54 month maximum loan term; for financing grants, tax credit equity or other take-out financing through construction;
2. Interim Financing ("Mini-Perm"), \$750,000 maximum loan, 54 month maximum loan term; for financing projects through a lease-up and stabilization period.

Loans are priced at Prime + 2%, can be subordinated to a primary lender and can also be structured as interest-only loans.

In order to receive funding through the BBRP Loan Fund, applicants must complete a two stage process:

1. Applications are initially evaluated by BUDC based on the application's alignment with the goals and objectives of the Buffalo Building Reuse Project.
2. Applications recommended by BUDC will then advance to the formal financial evaluation and loan underwriting process. During this phase of the process applicants must complete the BBRP Loan Program Application.
3. **Please note that applicants must successfully complete BUDC's underwriting process prior to being awarded funding. In order to complete the underwriting process, BUDC will require a copy of the**

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commitment letter and term sheet from primary bank lender as well as collateral. BUDC may also require an assignment of life insurance as a condition of closing.

- 4. BUDC Loan Policy Guidelines Available upon request. Also see BBRP Loan Approval Process (Attached).**

Application Rules

Reservations

1. BUDC and the City reserve the right to accept or reject any or all applications received;
2. BUDC and the City reserve the right to seek additional information from Applicants and related entities, especially those not previously funded by BUDC and/or the City;
3. All funding decisions related to this RFP are subject to all applicable federal, state and local laws and regulations, and the policies and procedures of the City of Buffalo and Buffalo Urban Development Corporation for the administration of state funds.
4. All costs associated with the preparation of this application are the responsibility of the applicant.

Eligible Applicants

1. Applicants must demonstrate the development and financial management expertise to successfully develop, design, construct, manage and implement the project. This expertise is demonstrated through previous experience in successfully developing projects similar to the one proposed, either by partners or key staff within the business or organization.
2. Applicants must demonstrate ownership or site control of all real estate considered part of the proposed project. Although final acquisition costs may be considered as part of the application, applicant must show a clear intent and agreement to purchase, such as a Purchase Option Agreement or comparable legal instrument.
3. Applicants must be able to meet other City and New York State requirements, specifically those concerning equal opportunity, affirmative marketing, environmental review, and acquisition, labor, lead-based paint, conflict of interest, debarment and suspension, and flood insurance.

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4. It is the policy of BUDC, the City of Buffalo and Empire State Development Corporation that all local Minority/Women Business Enterprises (M/WBE's) be encouraged to submit applications. BUDC continues to ensure that all locally owned M/WBE's are afforded the maximum opportunity to participate in the provision of goods and services for BUDC. BUDC encourages the award of at least twenty percent (20%) MBE and at least five percent (5%) WBE of the total dollar value of a project directly or indirectly to M/WBE's. BUDC also encourages the utilization of a construction workforce of twenty percent (20%) minority and five percent (5%) female.
5. Any person or subcontractor undertaking a part of the work under the terms of the Contract, by virtue of any agreement with the Respondent, must receive approval of the President or Vice President of BUDC or his designee prior to any such undertaking. In the event the Respondent desires to subcontract some part of the work specified herein, the Respondent shall furnish with their application the names, qualifications, and experience of his/her proposed subcontractors. Subcontractors shall conform, in all respects to the provisions specified for the Respondent. The Respondent shall, however, remain fully liable and responsible for the work done by their subcontractors. BUDC may terminate the Contract if the subcontracting is done without the Vice-President's prior approval.
6. Applicants must demonstrate compliance with the BUDC's Procurement Lobbying policy.
7. Applicants shall be required to disclose the identities of their officers, directors and owners/principals, as well as any business or employment relationships that the Applicant or its officers, directors and owners/principals have with BUDC or the City of Buffalo. **BUDC officers and directors and City employees are ineligible applicants. Corporations and other business entities in which a BUDC officer or director or City employee holds a substantial financial interest or serves as an officer, director or equivalent position are also ineligible.**

Evaluation Criteria

Funds will be awarded to those applicants whose applications best meet the following selection criteria and offer the greatest prospects of successful completion.

1. Completeness of the Application

All required documents have been submitted and the project is presented in a clear and concise manner

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2. Experience and Qualifications

Applicant and any affiliated partners and team members must demonstrate that they have successfully completed project(s) similar in size and scope

3. Consistency with Buffalo Building Reuse Project criteria

Proximity to existing residential clusters and economic drivers

Proximity to light rail and public transportation

Existing vacant space, adaptive reuse opportunity

An adaptive reuse of an historic structure

4. Consistency with Queen City Hub Plan and Green Code

Concentrating residential development in existing focal areas to create critical mass.

Incorporation of affordable housing

5. Creative Adaptive Reuse

Application provides for the creative and architecturally appropriate adaptive reuse of a significant structure or problem property

6. MBE/WBE/DBE Participation

Application includes participation of certified Minority and Women Business Enterprises

7. Project Budget and Demonstration of Need

Project budget is complete, and all sources and uses of funds are clearly defined and documented.

Project budget demonstrates a need for this funding that cannot be obtained through equity or conventional financing

Evidence or commitments for the balance of project financing are included.

Cost estimates prepared by a responsible source

8. Leveraging

BUDC funding is maximized relative to the total project cost

Applicant is committing a minimum of Ten Percent (10%) cash equity into the project.

9. Project Readiness

Applicant is prepared to begin construction of the project within a reasonable period (24 months) following notice of award.

Applicant can demonstrate site control and the ability to close on all properties included in the project within a reasonable period of time following notice of award.

Each application will undergo a comprehensive review by BUDC to ensure that all required documents have been completed and submitted. Complete applications will go on to an Eligibility Review. If BUDC finds it necessary, they may request any missing documentation in writing. The Applicant has ten (10) business days from the date of the receipt of the BUDC request to provide such

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documents. No documents other than those requested will be accepted. If the Respondent fails to supply BUDC with any of the itemized documents within the ten day period, BUDC will not review the application any further. The applicant will receive an Application Review Letter from BUDC stating that the application was incomplete, and not selected for funding.

Please note projects selected must complete BUDC's formal loan application and underwriting process before being awarded funding.

Public Domain

Respondents are advised that New York law provides that, upon the award of a contract subsequent to a Request for Applications, the contents of all applications received pursuant to said request may be placed in the public domain and become public records subject to examination by any interested parties pursuant to the New York State Freedom of Information Law (FOIL). Trade secrets and proprietary information, recognized by BUDC as such, may be protected from public disclosure if respondents clearly identify, in writing, any part of their applications which they claim to be proprietary information, trade secrets or other commercial information, or non-individual financial information that may be protected under FOIL. After the recommendation of the Selection Committee to the BUDC Board and a contract is awarded, all applications are considered public documents, except those items specifically identified as proprietary. Applications in total will not be considered proprietary. All materials submitted by a respondent in response to this RFP will become the property of BUDC.

Submit completed applications by **4:00pm on Friday, September 28, 2018** to:

Brandye Merriweather, Vice President—Downtown Development
Buffalo Urban Development Corporation
95 Perry Street, Suite 404
Buffalo, N.Y. 14203
bmerriweather@buffalourbandevelopment.com
RE: BUDC Downtown Development Project Submission

Applicants are asked to submit an original and five (5) complete copies of a Letter of Intent, Application and attachments to the above address. Applicants should also send a digital copy of the original to: bmerriweather@buffalourbandevelopment.com

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**BUDC Downtown Development Project Application Award Process
Tentative Schedule and Subject to Change**

July 27, 2018	Notice of Funds Availability
September 28, 2018	Quarter 3 Submission Deadline
October 10, 2018	Anticipated Date that Applicants will be notified of conditional funding decisions

Questions should be submitted in writing to Brandye Merriweather, BUDC Vice President—Downtown Development at bmerriweather@buffalourbandevelopment.com. BUDC will respond to all questions in writing.

The BUDC Selection Committee will review the submitted Applications. The applicants selected through this process will be contacted by BUDC to submit a formal loan application and additional financial information prior to being awarded funding.

Projects submitted for the BBRP Loan Program may also be considered for Community Development Block Grant (CDBG) loan funding through the Buffalo Urban Renewal Agency, if eligible.

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Submission Form

BUDC DOWNTOWN DEVELOPMENT PROJECT SUBMISSION

Applicant Name:

Federal Tax ID Number:

Private Corporation/Individual:

Non-Profit Corporation:

Other:

Project Description – Please attach a detailed description of the proposed project that includes the following information:

- ❖ Location of the project(s);
- ❖ General redevelopment strategy & details regarding real estate product types proposed;
- ❖ If project is to be completed in phases, please include phasing strategy
- ❖ Residential: rental vs. ownership, number bedrooms/unit, square footage, unit amenities, common area features, incorporation of affordable housing, and amenities, if any;
- ❖ Discuss any public space and/or *public art components of the project;
- ❖ Commercial: office, retail, food & beverage, hospitality, other;
- ❖ If project is mixed use, describe who the commercial space will be marketed to and/or documentation of lease commitment;
- ❖ Parking availability;
- ❖ Age of the building, years vacant or current occupancy level;
- ❖ Any local and national historic preservation designation, current or pending;
- ❖ Particular redevelopment challenges encountered by the project: environmental contamination, building deterioration, building code issues, etc.;
- ❖ Demonstration of Site Control;
- ❖ Discuss developer's history and describe previous experience or involvement in the development of similar projects and/or partners participating in the development of the project.

*The City Of Buffalo has recently partnered with the Albright-Knox Art Gallery's Public Art Initiative to integrate artwork into publicly accessible spaces to enhance our shared sense of place, cultural identity in the urban landscapes of Western New York. For more info contact:

**Aaron Ott, Curator of Public Art
Albright-Knox Art Gallery, 1285 Elmwood Avenue, Buffalo, NY 14222
(716) 270-8246 aott@albrightknox.org**

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Limit description to no more than three (3) pages.

Approximate Number of Residential Units:

Current Status of Project:

Estimated Completion Date:

Total Project Cost:

BBRP Loan Funds Requested:

Chief official of applicant

Name:

Title:

Mailing Address:

City, State, Zip:

Phone:

Email Address:

Designated contact person for this application

Name:

Title:

Mailing Address:

City, State, Zip

Phone:

Email Address:

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DEVELOPMENT COSTS

Proposed Acquisition Cost: \$ _____

Land \$ _____
Buildings \$ _____

Subtotal \$ _____

Constructions Costs:

Hard Costs

Site Work \$ _____
Fixtures, Furnishings & Equipment \$ _____
Plumbing, Electrical, Security System \$ _____
HVAC \$ _____
Foundation, Framing, Roofing, etc. \$ _____
Landscaping \$ _____

Subtotal \$ _____

Soft Costs:

Architectural/ Engineering Fees \$ _____
Legal Fees \$ _____
Accounting Fees \$ _____
Administrative/ Development Fees \$ _____
Survey \$ _____
Title Work \$ _____
Taxes \$ _____
Insurance \$ _____
Relocation \$ _____
Other \$ _____

Miscellaneous Costs:

Developer Fee \$ _____
Project Reserve \$ _____

Contingency:

\$ _____

Other Fees not mentioned (please list) \$ _____

TOTAL COSTS \$ _____

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I HEREBY SUBMIT THIS APPLICATION FOR THE CONSIDERATION OF FINANCIAL ASSISTANCE IN SUPPORT OF THE PROJECT HEREWITHIN DESCRIBED. I CERTIFY THAT ALL INFORMATION IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. IF SELECTED FOR FUNDING, I WILL COOPERATE FULLY WITH THE CITY OF BUFFALO TO COMPLY WITH LOCAL AND FEDERAL CDBG PROGRAM GUIDELINES, AS APPLICABLE.

The undersigned certifies that to his/her knowledge as of the date hereof, no principal, officer, board member, employee responsible for managing finances, consultant or contractor acting as a fiscal agent of or to the Applicant, has been convicted of a local, state or federal criminal offense involving moral turpitude or dishonesty in the last 10 years or, if sooner, since reaching the age of eighteen (18). (If the Applicant cannot certify to this statement, please submit a signed statement explaining the related facts and circumstances). To the extent required by BUDC, the undersigned agrees to reaffirm this certification on prior written notice from BUDC.

Authorized Signature: _____

Date: _____

Printed Name: _____

Title: _____

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Procurement Lobbying Restrictions

1. Restrictions on Bidder Communications with BUDC

Pursuant to State Finance Law §§139-j and 139-k, this Request for Applications imposes certain restrictions on communications between Applicants and BUDC during the procurement process. Applicants are prohibited from making contacts (whether oral, written or electronic) with any BUDC personnel or BUDC Board member other than the designated BUDC staff member (unless the contact is otherwise permitted under State Finance Law §139-j (3) (a)). In addition, Applicants are hereby notified that any contact with any BUDC personnel, BUDC Board member or the designated BUDC staff member which a reasonable person would infer is intended to influence the award of the contract under this Request for Applications is prohibited. These prohibitions apply from the Bidder's earliest notice of BUDC's intent to solicit applications through the final award and approval of the procurement contract ("Restricted Period"). For purposes of this Request for Applications, the designated BUDC staff member is Brandye Merriweather (bmerriweather@buffalourbandevelopment.com).

Applicants are hereby notified that BUDC is required to collect certain information when contacted by a Bidder during the Restricted Period and make a determination of the responsibility of the Bidder pursuant to State Finance Law §§139-j and 139-k. Certain findings of non-responsibility can result in rejection of a contract award, and in the event of two findings within a four (4) year period, the Bidder may be barred from obtaining governmental procurement contracts.

2. Bidder's Affirmation of Understanding of and Agreement pursuant to State Finance Law §139-j (3) and §139-j (6)(b)

BUDC is required to obtain written affirmations from all Applicants as to the Respondent's understanding of, and agreement to comply with BUDC's procedures relating to permissible contacts (described in paragraph 1 above). The affirmation must be provided to BUDC when the Bidder submits its application. The form of affirmation to be completed and submitted by the Bidder is included herein as Attachment A.

3. Bidder's Certification of Compliance with State Finance Law §139-k(5)

State Finance Law §139-k (5) requires Applicants to provide written certification that all information provided to BUDC with respect to State Finance Law §139-k is complete, true and accurate. The certification must be provided to BUDC when Bidder submits its application. The form of certification to be completed and submitted by the Bidder is included herein as Attachment B.

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Procurement Lobbying Restrictions

4. Bidder Disclosure of Prior Non-Responsibility Determinations

State Finance Law §139-k (2) obligates BUDC to obtain specific information regarding prior non-responsibility determinations with respect to State Finance Law §139-j. In accordance with State Finance Law §139-k, each Bidder must disclose whether there has been a finding of non-responsibility made within the previous four (4) years by any Governmental Entity due to: (a) a violation of State Finance Law §139-j or (b) the intentional provision of false or incomplete information to a Governmental Entity. State Finance Law §139-j sets forth detailed requirements about the restrictions on contacts during the procurement process. A violation of State Finance Law §139-j includes, but is not limited to, an impermissible contact during the Restricted Period (for example, contacting a person or entity other than the designated contact person, when such contact does not fall within one of the exemptions).

As part of its responsibility determination, State Finance Law §139-k(3) mandates consideration of whether a Bidder fails to timely disclose accurate or complete information regarding the above non-responsibility determination. In accordance with the law, no procurement contract shall be awarded to any Bidder that fails to timely disclose accurate or complete information under this section, unless a finding is made that the award of the procurement contract to the Bidder is necessary to protect public property or public health and safety, and that the Bidder is the only source capable of supplying the required article of procurement within the necessary timeframe. Attachment C entitled “Offerer Disclosure of Prior Non-Responsibility Determinations” must be completed by the Bidder and submitted to BUDC at the time of Bidder’s submission of its application.

5. Contract Termination Provision

New York State Finance Law §139-k (5) provides that every procurement contract award subject to the provisions of State Finance Law §§139-k and 139-j shall contain a provision authorizing termination of the contract in the event that the certification provided by the Bidder that is awarded the contract is found to be intentionally false or intentionally incomplete. The following provision is hereby incorporated by reference and included in the contract that is awarded (if one is awarded) pursuant to this Request for Applications:

BUDC Termination Provision

Pursuant to New York State Finance Law §139-k (5), BUDC reserves the right to terminate this contract in the event it is found that the certification filed by the Contractor in accordance with New York State Finance Law §139-k was intentionally false or intentionally incomplete. Upon such finding, BUDC may exercise its termination rights by providing written notification to the Contractor in accordance with the written notification terms of this contract.

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ATTACHMENT A

**Affirmation of Understanding & Agreement pursuant to State Finance Law §139-j (3) & §139-j (6)
(b)**

I affirm that I understand and agree to comply with the procedures of BUDC relative to permissible contacts as required by State Finance Law §139-j (3) and §139-j (6) (b).

By: _____ Date: _____

Name: _____ Title: _____

Contractor Name: _____

Contractor Address: _____

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Procurement Lobbying Restrictions

ATTACHMENT B

Offerer/Bidder Certification:

I certify that all information provided to BUDC with respect to State Finance Law §139-k is complete, true and accurate.

By: _____ Date: _____

Name: _____ Title: _____

Contractor Name:

Contractor Address:

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5. Has any Governmental Entity or other governmental agency terminated or withheld a Procurement Contract with the above-named individual or entity due to the intentional provision of false or incomplete information?

(Please circle):

No

Yes

6. If yes, please provide details below.

Governmental Entity: _____

Date of Termination or Withholding of Contract: _____

Basis of Termination or Withholding: _____

(Add additional pages as necessary)

Offerer certifies that all information provided to BUDC with respect to State Finance Law §139-k is complete, true and accurate.

By: _____ Date: _____

Signature

Name: _____ Title: _____