

**RESIDENTIAL FAÇADE IMPROVEMENT
GRANT PROGRAM**

**Assisting Property Owners with Restoration/Rehabilitation of
Residential Properties**

**The Redevelopment Agency of the City of Merced
Façade Improvement Grant Program
Adopted November 18, 2008**

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MERCED REDEVELOPMENT AGENCY



FAÇADE IMPROVEMENT GRANT PROGRAM

INTRODUCTION:

The Façade Improvement Grant Program was created in order to eliminate blight and increase affordable housing of historic and architecturally significant residential properties. The intent of the program is to stimulate improvements and restoration of residential properties located within the boundaries of Redevelopment Project Area 2 and the Gateways Redevelopment Project Area.

REIMBURSABLE IMPROVEMENTS:

Eligible improvements to the residential structure include painting, plastering or stucco work, siding, wood or brick treatment, awnings or canopies, window repair or replacement, shutters and trim, doors or entrances, visible roof areas, gutters and downspouts, fencing and gates, and lighting.

Landscaping and irrigation shall also be included in the reimbursable improvements including pavers, walkways, trees and shrubs, and landscape lighting.

The Façade Improvement Grant is a one-time reimbursement of the actual improvement expenses of up to \$18,000 per property. The applicant shall be responsible for 100% of all costs of improvements in excess of the maximum grant of this program.

WHO CAN APPLY:

The Redevelopment Agency's Façade Improvement Grant Program is available to all owners of residential properties located within Redevelopment Project Area 2 and the Gateways Redevelopment Project Area boundaries. The Program is a one-time grant, which is not intended to cover routine property maintenance.



PROGRAM GUIDELINES:

Applications will be looked upon more favorably if a complete and inclusive façade improvement project is presented. Prior to approving an application, Agency staff, the Design Review Commission (DRC) and the Redevelopment Advisory Committee (RDAC) may recommend additional improvements in order to achieve a more complete renovation of the property.

Any proposed façade improvements must create a physical improvement to the property. They are to be visible to the general public from the street, sidewalk or alleyway. Grant monies are not to be used for interior improvements unless the exterior improvements necessitate the enhancements.

Funds shall be allocated on a first come, first serve basis. Only one grant shall be awarded per residential parcel. Where practical, all building facades shall be restored to their original period design. If rehabilitation to an original period design is deemed not practical by the Redevelopment Agency, then a similar architectural design shall be used. All horizontal and vertical features (lintels and piers) shall be retained. All color schemes shall accent the structure as well as complement other surrounding properties. If applicable, colors shall be period specific.

All work funded by a grant must occur after the grant application has been approved and must be completed within six months of the approval of the application. Work performed prior to the approval of an application will not be eligible for consideration under the grant program. Grant funds will be disbursed directly to the property owner's licensed contractor after the project is completed and after all grant requirements have been met. The property owner or their designated contractor will be responsible for obtaining any permits required to do the project. The contractor may pay for the building permits and provide receipts from the City of Merced Building Department which can be reimbursed upon completion of the project. The applicant also has the option to request that the Redevelopment Agency pay for the building permits with reasonable notice of expected issuance of the building permits. Receipts must be furnished to the Redevelopment Agency for either payment option. The cost of the building permits will be deducted from the total allowable grant of \$18,000.00.

The approval of the application and any necessary building permits must be secured prior to any work begins on the property.

GENERAL REQUIREMENTS FOR THE GRANT PROGRAM:

1. The residence must be structurally sound.
2. The applicant must provide evidence of being the property owner. Properties with multiple owners must provide similar evidence.
3. The applicant will be required to disclose all tenant and income information.
4. The applicant must comply with the "Easements and Agreements" Section of this program.
5. The applicant must use a State of California licensed contractor for improvements to the property.
6. The applicant must provide three estimates from three licensed contractors.
7. The property owner must sign an agreement with the selected licensed contractor to perform the work.
8. The work must be completed within 6 months of the RDAC approval.

EASEMENTS AND AGREEMENTS:

Low and Moderate Income Affordability Covenants:

To receive grant funds as part of the Residential Façade Improvement Grant Program applicants will be required to sign affordability covenants for their properties. These covenants are agreements between the property owner and the Redevelopment Agency to ensure that if the property were to be sold or rented that it will be provided to persons who make less than a moderate income, or 120% of the area median income (AMI) for Merced County. For sale properties are required to be sold to individuals and families not exceeding the moderate-income level for a period of 45 years. Rental properties are required to be rented to persons making a moderate income for at least 55 years. The affordability covenants will be signed and recorded prior to any work starting on the property. The Redevelopment Agency staff can provide more information upon request. Copies of the affordability covenants are attached for review.

Exterior Façade Easements:

Additional façade easements will also be recorded for the completed work. A façade easement ensures the Agency's investment in the property is protected in case of ownership change or when the Agency paid improvements become neglected.

Easements will require the property owner to maintain the façade improvements to the building for the life of the Redevelopment Project Area. Project Area 2 expires in August 2017 and the Gateways Project Area expires in 2029. A copy of the easement agreement is attached for review.

REDEVELOPMENT AGENCY VERIFICATION PROCEDURES:

Agency staff will need to verify the following information through some form of homeowner certification. The use or disclosure of information obtained from an applicant or applicant's family member or from another source shall be limited to purposes directly connected with administration of the Residential Façade Improvement Grant Program.

Verification or certification of income will be required to determine eligibility in the program. The following documents will be required for all applicants:

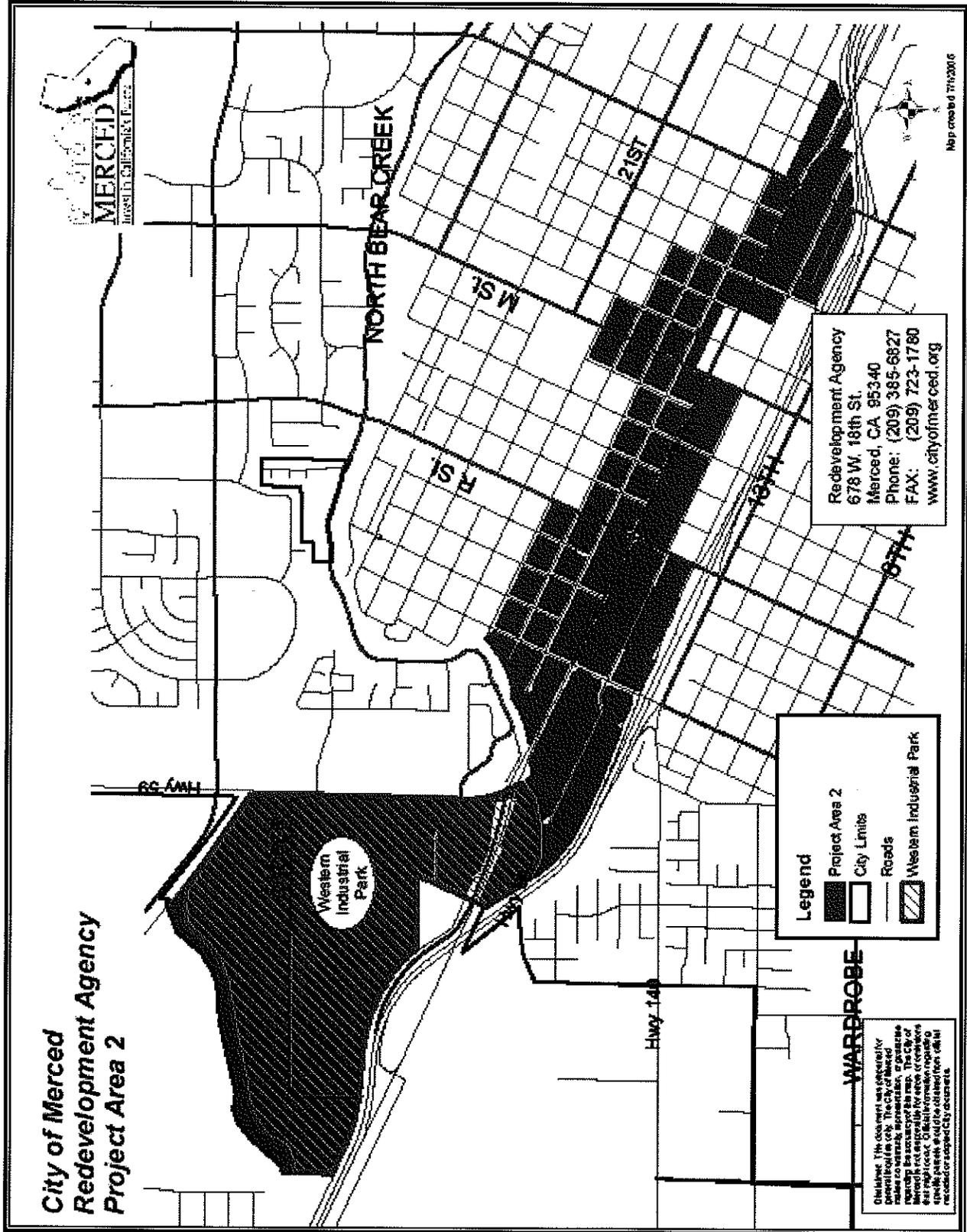
Owner Occupied Properties:

1. A copy of a recorded deed, title certificate, for the property.
2. Driver's License or picture identification.
3. Last year's income tax return for homeowner (1040 form with W2's for all homeowner/tenants).

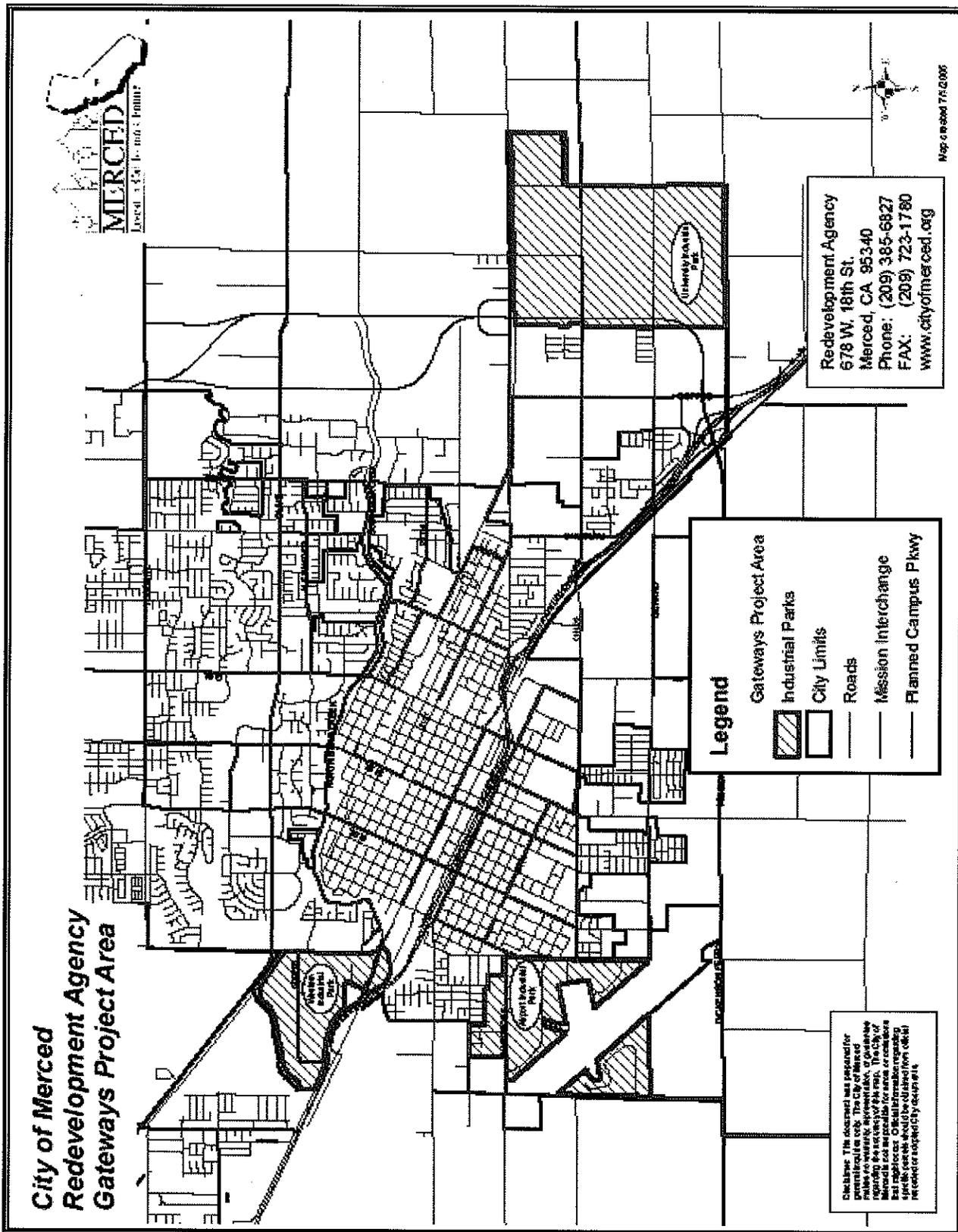
Rental Properties:

1. A copy of a recoded deed, title certificate, for the property.
2. Driver's License or picture identification.
3. List of all tenants residing on the property.
4. List of rents received for a period of one year.
5. Last year's income tax return for all tenants (1040 form with W2's for all homeowner/tenants members).
6. Exterior Home Improvement Grant Landlord(s) and Tenant(s) Application.

REDEVELOPMENT PROJECT AREA 2



GATEWAYS REDEVELOPMENT PROJECT AREA



RESIDENTIAL FAÇADE IMPROVEMENT GRANT PROGRAM APPLICATION & PROCEDURES:

To Apply:

1. Fill out the Design Review Commission Application form and the Residential Façade Improvement Program Grant Application included in this packet.

Then each application form must be supplemented with the following in order to be considered a complete application:

- a. Proof of property taxes paid;
 - b. Complete estimates of proposed improvements from a licensed contractor(s);
 - c. Site plan, to scale (paper copy);
 - d. Elevation, to scale (paper copy);
 - e. Color and Material Samples;
 - f. Current photo(s) of eligible improvement frontage(s).
2. Completed applications are accepted at the Civic Center, 678 W. 18th Street, Merced, CA.
 - Design Review Application should be submitted to the Planning Department (2nd floor). The Façade Improvement Grant Program will cover the Design Review fees.
 - Façade Application should be turned in to the Redevelopment Agency office (3rd Floor).

The Façade Improvement Grant Program Process:

1. The applicant will fill out the pre-qualification application and return the application, improvement budget, color photographs and preliminary sketches of the property of any proposed improvements to the Redevelopment Agency office.
2. Redevelopment Agency staff will review the pre-qualification application and notify the applicant of their eligibility for the grant. An inspection of the exterior of the property will be required.
3. Applicants must then complete the grant application and return it to the Redevelopment Agency along with all the necessary documents.
4. Applications will be reviewed by the Redevelopment Agency for compliance. A minimum of three (3) estimates for the proposed improvements from a State of California licensed contractor must be submitted. The estimates will be reviewed for reasonableness and consistency.
5. The applicant will submit improvement plans to the Redevelopment Agency and the DRC. Redevelopment Agency staff will assist in processing the DRC application. DRC fees will be paid by the Redevelopment Agency.
6. The applicant will gain approval for the improvements from the DRC. The applicant may be required to submit revised improvement plans if the DRC conditions any changes.
7. Once the final improvement plans have been supplied, Redevelopment Agency staff will recommend the project for approval to the Redevelopment Advisory Committee (RDAC).
8. Once the project is approved, the applicant will be required to sign the affordability covenants. The Redevelopment Agency will record the covenants prior to any work being performed.
9. The applicant or their chosen contractor will need to obtain the necessary building permits from the City of Merced Building Department.
10. The Redevelopment Agency will pay the contractor directly once the all requirements of the Façade Improvement Program have been completed, improvements finished and any building permits signed off.
11. The Agency will record the façade easement with Merced County.

The Redevelopment Agency of the City of Merced
RESIDENTIAL FAÇADE IMPROVEMENT GRANT PROGRAM
APPLICATION

①

Property Address: _____
(No.) (Address) (City) (Zip)

1. PROPERTY OWNER/S

Owner Name: _____

Mailing Address: _____

Telephone: (daytime) _____ (evening) _____

Email: _____

Owner Since: _____

Owner Name: _____

Mailing Address: _____

Telephone: (daytime) _____ (evening) _____

Email: _____

Owner Since: _____

If there are additional owners, please attach a separate sheet.

2. PROJECT SITE

Use Type: Owner Occupied Rental Housing

Total Number of Structure/s on Property: _____

Year Structure/s Built: _____

Total Number of Persons Residing on the Property: _____

3. PROJECT PROPOSAL

Briefly list the proposed scope of work and provide a rendering and any proposed improvement plans. Please provide color samples if applicable.

The following items are covered by the façade grant: painting, plastering or stucco work, siding, wood or brick treatment, awnings or canopies, window repair or replacement, shutters and trim, doors or entrances, visible roof areas, gutters and downspouts, fencing and gates, and lighting.

Landscaping and irrigation shall also be included in the reimbursable improvements including pavers, walkways, trees and shrubs, and landscape lighting. **New construction is not covered by the grant.**

Estimated Start Date: _____ Estimated Completion Date: _____
(Month/Day/Year) (Month/Day/Year)

4. PROJECT BUDGET

Submit an itemized budget indicating the amount and use of the funds requested. The grant request is up to \$18,000 depending upon funding availability. Attach the (3) estimates from State of California licensed contractors.

Work Item	Item Cost
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Grant Funds Requested: \$ _____

Total Project Cost: \$ _____

MERCED REDEVELOPMENT AGENCY (RDA)

Exterior Home Improvement Grant
Landlord(s) and Tenant(s) Application

Please print or type this form

Address of home to be repaired

Landlord name(s) Social Security No. Daytime Phone No.

Street Address:

Mailing Address (if different):

HOUSEHOLD INFORMATION

Please list all household members who live in the home.

Table with 4 columns: Name, Age, Social Security No., Relationship. Multiple rows for listing household members.

Tenant's Annual Income/Assets (Include Income for All Household Members)

Table with 3 columns: Household Member, Name/Address of Employer, Annual Gross Income. Multiple rows for listing income/asset information.

Tenants Income Tax Return

Check one

- Checkboxes for tax return status: 'A copy of the tenants' most current tax return is attached.' and 'I/We (tenants) did not file an income tax return to the Federal IRS or the State of California Franchise Tax Board last calendar year. (Attach proof of all income.)'

I/We (tenants) certify that the income listed above is the only income received by me/us (all members living in household) during the last calendar year.

(Initial) (Initial)

Please list all income for every person who lives in the home. You must attach proof of income from each income source (W-2, year end benefit statement, award letter, etc.). All income must be reported!

- | | |
|------------------------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> \$ _____ Social Security Benefits | <input type="checkbox"/> \$ _____ Alimony |
| <input type="checkbox"/> \$ _____ Unemployment Benefits | <input type="checkbox"/> \$ _____ Child Support |
| <input type="checkbox"/> \$ _____ Disability Benefits | <input type="checkbox"/> \$ _____ Inheritance |
| <input type="checkbox"/> \$ _____ Retirement Benefits | <input type="checkbox"/> \$ _____ Other Income _____ |
| <input type="checkbox"/> \$ _____ Veteran Benefits | <input type="checkbox"/> \$ _____ Other Income _____ |
| <input type="checkbox"/> \$ _____ Home Business Income | <input type="checkbox"/> \$ _____ Other Income _____ |

For Other Income please specify the source of income in the space provided.

Please check box(s) below for assets held by any household members.

- | | |
|-------------------------------------------------------|---------------------------------------------------|
| <input type="checkbox"/> Checking Account \$ _____ | <input type="checkbox"/> Savings Account \$ _____ |
| <input type="checkbox"/> Investment Accounts \$ _____ | <input type="checkbox"/> Interest Earned \$ _____ |
| <input type="checkbox"/> Dividends \$ _____ | <input type="checkbox"/> Rental Income \$ _____ |
| <input type="checkbox"/> Cash on hand \$ _____ | <input type="checkbox"/> Other _____ \$ _____ |
- Check here if you do not have any investment/checking/savings accounts or other assets.

Annual Income Certification of Income Earning Tenants
To be signed by all income producing tenants

I/We (tenants) certify that the above listed income information is true and correct.

Signature _____	Date _____



Landlord Restrictions and Certification Section

To be signed and initialed by all owners of the rental home

I/We have read and understand the following conditions for receiving exterior home improvement grant assistance from the Merced Redevelopment Agency. _____

(Initial) (Initial)

- This rental home will be rented to income-qualified individuals who meet the definitions of very low, low, or moderate income, during the 55-year deed restriction. The current low/moderate income guidelines are provided below.
- A deed restriction shall be recorded against the single-family property, which requires full repayment of the grant to the Merced Redevelopment Agency when the property is transferred or sold to persons who are not income qualified. The deed restriction also mandates that the property be rented only to people who are income-qualified as very-low, low, or moderate income.
- The landlord is required to match any grant assistance received with 25 percent of his or her own money. The landlord is required to provide proof of payment prior to any disbursements being made by Agency.

I/We agree to participate in surveys and/or audits conducted by the RDA. _____

(Initial) (Initial)

I/We hereby give permission for the Merced Redevelopment Agency and its representatives to verify all of the information contained in this application. _____

(Initial) (Initial)

I/We certify that the information provided in this application is complete and true, and I/we understand that any misrepresentation may result in my/our disqualification from the above-mentioned program.

Only one (1) RDA assistance grant per property.

Landlord-
Applicant(s)

Signature _____

Date _____

Signature _____

Date _____

Landlord-
Applicant(s) Address _____

Phone # _____

Work # _____

Cell # _____

Tenant's Address _____

Phone # _____

Work # _____

Cell # _____

RESIDENTIAL FAÇADE IMPROVEMENT GRANT PROGRAM

Frequently Asked Questions (FAQ) ?

Adopted in 2008, the Residential Façade Improvement Grant Program was created to assist the Merced Redevelopment Agency carry out the goals and the objectives of the Redevelopment Plan to eliminate blight and create affordable housing. The intent of the program is to stimulate improvements and restoration of residential properties located within the boundaries of the Redevelopment Project Area 2 and Gateways Redevelopment Project Area.

Q. What is the Residential Façade Improvement Grant Program?

- A. The Residential Façade Improvement Grant Program is a one-time inclusive grant, which is not to be used to cover routine property maintenance or new construction. The grant may be used toward exterior improvements of residential properties. Exterior improvements to single family and multi-family residences are covered under this program.

Q. Who qualifies for the Grant Program?

- A. All residential property owners within the boundaries of the Redevelopment Project Area 2 and Gateways Project Area qualify for the program and are encouraged to apply (See attached map for project area boundaries). The Redevelopment Agency and RDAC look favorably upon comprehensive projects that include a more complete façade improvement.

Q. What improvements qualify?

- A. Exterior improvements visible from the public right of way qualify for the grant. Exterior improvements can include painting, plastering or stucco work, siding, wood or brick treatment, awnings or canopies, window repair or replacement, shutters and trim, doors or entrances, visible roof areas, gutters and downspouts, fencing and gates, and lighting.

Landscaping and irrigation are also included in the reimbursable improvements including pavers, walkways, trees and shrubs, and landscape lighting.

Q. Who will complete the project for me?

- A. The property owner will need to obtain three estimates from three independent State of California licensed contractors. The project will be performed by the qualified lowest bidding contractor. After all documents have been recorded and the project complete, the Redevelopment Agency will issue a check directly to your contractor.

Q. How long would I have to complete the project?

- A. Your contractor must finish the project and have all permits signed off within 6 months of the date of Redevelopment Advisory Committee (RDAC) approval.

Q. Why do I need approval from the Design Review Commission (DRC)?

A. The DRC performs comprehensive site plan and architectural review of projects within the Redevelopment Project Areas. The DRC may recommend architectural improvements that will help guide the property owner to create a more comprehensive and aesthetically appealing project.

Q. What is the Redevelopment Advisory Committee (RDAC)?

A. The Redevelopment Advisory Committee or RDAC is the advisory group that assists the Agency in establishing priorities within the Project Areas. RDAC consists of representatives from local business, residential owner-occupants, residential tenants and community organizations in both project areas. RDAC will give final approval to the applicant's project.

Q. What are Affordability Restrictions?

A. Affordability restrictions are requirements that the Agency will place on residential properties to ensure the properties are rented or owned by affordable individuals and families. Affordability restrictions will set a maximum level of rent or mortgage that a tenant or owner may obtain from the property based on family size and annual income. Properties can be restricted on four levels based on the Area Median Income (AMI) for Merced County that is based on total family size. These restriction levels are as follows: Very Low Income (50% AMI), Low Income (80% AMI), Median Income (100% AMI) and Moderate Income (120% AMI). Each grant program applicant will be given an affordability level based on his or her current tenants income, area of residence and the overall long term area need for affordable housing opportunities.

Q. What is a Façade Improvement Maintenance Agreement Easement?

A. Façade Improvement Maintenance Agreements will be recorded on the property after the project has been completed. A façade improvement easement ensures the Agency's investment in the property is protected in case of ownership change or when the Agency paid improvements become neglected. In the event the improvements become neglected, the Agency will contact the property owner to repair the issues within 30 days. If the property owner fails to repair the neglected improvements within 30 days, the Agency will hire an independent contractor to perform the repairs at the sole cost of the property owner.

Q. What are the benefits of the Façade Improvement Grant Program?

A. When property owners care about their investments it shows in more ways than one. Beautification of residential façades eliminates negative visual impact and increases property values. Rental properties may be able to receive increased rents with improved exteriors.

SCHEDULE OF DRC/HPC MEETING DATES: January 2009 -- May 2010

MEETING DATE:

January 14, 2009
 January 28, 2009
 February 11, 2009
 February 25, 2009
 March 11, 2009
 March 25, 2009
 April 15, 2009
 April 29, 2009
 May 13, 2009
 May 27, 2009
 June 10, 2009
 June 24, 2009
 July 15, 2009
 July 29, 2009
 August 12, 2009
 August 26, 2009
 September 16, 2009
 September 30, 2009
 October 14, 2009
 October 28, 2009
 November 12, 2009 (Thursday)
 November 25, 2009 ##
 December 16, 2009
 December 30, 2009 ##
 January 13, 2010
 January 27, 2010
 February 10, 2010
 February 24, 2010
 March 10, 2010
 March 24, 2010
 April 14, 2010
 April 28, 2010
 May 12, 2010
 May 26, 2010

*** APPLICATIONS MUST BE SUBMITTED BY:**

December 29, 2008
 January 12, 2009
 January 26, 2009
 February 9, 2009
 February 23, 2009
 March 9, 2009
 March 30, 2009
 April 13, 2009
 April 27, 2009
 May 11, 2009
 May 26, 2009 (Tuesday)
 June 8, 2009
 June 29, 2009
 July 13, 2009
 July 27, 2009
 August 10, 2009
 August 31, 2009
 September 14, 2009
 September 28, 2009
 October 12, 2009
 October 26, 2009
 November 9, 2009
 November 30, 2009
 December 14, 2009
 December 28, 2009
 January 11, 2010
 January 25, 2010
 February 8, 2010
 February 22, 2010
 March 8, 2010
 March 29, 2010
 April 12, 2010
 April 26, 2010
 May 10, 2010

* New Construction may require additional environmental review, so the application may be scheduled for a later meeting date. Historic Preservation items require a Public Hearing Notice period.

Possibility this meeting will be cancelled due to holiday.

Application fees: New Construction: \$250 fee; Remodels, Site Improvements: \$100 fee; All other Design Review applications, including signing, awnings, simple modifications: \$50 fee. Historic Preservation: \$125

APPLICATION FOR DESIGN REVIEW

DATE: _____ RECEIPT: _____ RECEIVED BY: _____

PROJECT LOCATION: _____

ASSESSOR'S PARCEL NUMBER (APN): _____ ZONE: _____

PROJECT DESCRIPTION: _____

PROPERTY OWNER: _____ PHONE: _____

MAILING ADDRESS: _____

APPLICANT: _____ PHONE: _____
(OTHER THAN OWNER)

MAILING ADDRESS: _____

ARCHITECT/DESIGNER/ENGINEER: _____ PHONE: _____

MAILING ADDRESS: _____

LANDSCAPE ARCHITECT: _____ PHONE: _____

MAILING ADDRESS: _____

I understand that design approval by the Design Review Commission is subject to securing appropriate building and/or sign permits from the Inspection Services Department of the City of Merced. Design approval by the Design Review Commission shall not be construed as a waiver, modification, elimination, or mitigation of requirements or any other provision of the ordinances, codes, policies, or regulations of the City of Merced.

Application for design review may involve review of the entire property. Decisions of the Design Review Commission may be appealed to the City council within five (5) days of the Final Review. A \$25 non-refundable deposit is required to file an appeal.

I certify that I am the owner of record for the real property described herein.

I am the representative/agent for the owner, and said real property owner consents to the filing of this application.

SIGNATURE: _____ DATE: _____

THE FOLLOWING MUST BE SUBMITTED WITH THIS APPLICATION BEFORE 5:00 P.M. ON MONDAY, ONE WEEK PRIOR TO THE DESIGN REVIEW COMMISSION MEETING.

APPLICATION CHECK LIST:

1. Dimensioned Site Plan (for new construction/remodel) (provide 8 ½ x 11 copy)
2. Elevation (provide 8 ½ x 11 copy)
3. Color and Materials Samples
4. Design Review Fee: \$ _____
5. Environmental Review Checklist (New Construction)

The application and appeal fees for Design Review commission review are as follows:

Paint/small sign	\$10.00
Signs/awnings/simple modifications	\$50.00
Remodels/site improvements	\$100.00
New developments	\$250.00
Appeal to City Council	\$50.00

The fees as delineated above are minimum fees. The actual fee shall be determined by the actual cost (labor, equipment and materials) of processing the application or appeal and preparing any special reports and may exceed the deposit. If the actual cost of processing exceeds the deposit, the applicant will be required to pay additional funds to cover the actual costs.

RESIDENTIAL FAÇADE IMPROVEMENT GRANT PROGRAM

Recordable Documents

1. Agreement Containing Covenants Affecting Real Property

Description: Affordability covenants are used to ensure that homes made affordable through public subsidies remain affordable to future renters or homebuyers. An affordability covenant is a legally binding clause to a deed that specifies that the property will remain affordable by setting certain terms and conditions related to its long-term use. An affordability covenant may restrict at what rate and affordability level a rental unit is rented and at what level or to whom and at what price a for-sale unit will be sold.

2. Notice of Affordability Restrictions on Transfer of Property

Description: The Notice of Affordability Restrictions will be placed on the deed of the property. In the event of sale or transfer, the Notice of Affordability Restrictions will be shown on Title and presented to the successor in interest for approval. Redevelopment Agencies are required to submit a separate additional notice for all new or substantially rehabilitated residential units assisted with low- and moderate-income housing funds or which the agency counts toward satisfaction of affordable housing production or replacement housing obligations.

3. Agreement Affecting Real Property Granting Façade Easement

Description: A façade easement ensures the Agency's investment in the property is protected in case of ownership change or when the Agency paid improvements become neglected. The property owner will be required to keep the exterior of the property in good repair. In the event the exterior of the property becomes neglected, the Agency will contact the owner for the repairs. If the owner does not repair the issue of concern within a given time period, the Agency will hire an independent contractor and charge the property owner for the incurred costs of the repair.

Easements will require the property owner to maintain the façade improvements to the building for the life of the Redevelopment Project Area. Project Area 2 expires in August 2017 and the Gateways Project Area expires in 2029.

RECORDING REQUESTED BY:

Redevelopment Agency of the
City of Merced, a body corporate and politic of
the State of California

WHEN RECORDED MAIL TO:

Redevelopment Agency of the
City of Merced
678 West 18th Street
Merced, California 95340

Exempt Recording Per Gov't Code Section
6103

(Above for Recorder's Use Only)

**AGREEMENT CONTAINING COVENANTS
AFFECTING REAL PROPERTY
(RESIDENTIAL FAÇADE IMPROVEMENT GRANT PROGRAM)**

This Agreement Containing Covenants Affecting Real Property (Residential Façade Improvement Grant Program) (hereafter "Agreement") is entered into this _ day of _____ 20__, ("Effective Date"), by and between the Redevelopment Agency of the City of Merced, a public body corporate and politic ("Agency"), and _____, a _____ ("Grantee"), with reference to the following:

A. Grantee intends to provide façade improvements to certain real property at _____, Merced, California, APN _____ (the "Site"), which is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference.

B. The Site is located within the Gateways Project Area ("Project Area") in the City of Merced ("City") and is subject to the provisions of the Redevelopment Plan which was approved and adopted on July 15, 1996, by the City Council of the City of Merced by Ordinance No. 1939, amended on July 17, 2000, by Ordinance No. 2043, and on July 18, 2005, by Ordinance No. 2201. The Redevelopment Plan, as it now exists and as it may be subsequently amended pursuant to Section 701, is incorporated herein by reference and made a part hereof as though fully set forth herein.

C. Because the funding for the façade easement comes from affordable housing setaside funds, the housing developed on the Site as described in Attachment A shall consist of _____ unit ("Restricted Unit") and shall be _____ by _____ income persons at an affordable _____ established at rates which do not exceed the maximum percentage of income that can be devoted to _____ by low income persons and households as set by California law, Health and Safety Code.

NOW, THEREFORE, THE AGENCY AND REDEVELOPER AGREE AS FOLLOWS:

Commencing on the date of this Agreement and continuing in effect for a period of no less than _____ years following mutual execution of this Agreement. Grantee, on behalf of itself, its successors, its assigns, and each and every successor in interest to the Site, or any part thereof, hereby covenants and agrees that Grantee and such successors and assigns, shall maintain and use the Site and related interior and exterior improvements in accordance with the terms and conditions hereinbelow:

1.0 Residential Ownership Property.

The Grantee hereby agrees that the Project is to be _____ as a home for _____ income persons and families for a term of no less than _____ years, commencing upon the date of recordation of this Agreement for the Site. To that end, and for the term of this Agreement, the Grantee hereby represents, covenants, warrants and agrees as follows:

1.1 Facilities. The Project shall contain facilities for living, sleeping, eating, cooking and sanitation in accordance with this Agreement, and all of the permits and approvals for the Project.

1.2 Conversion of Units. No part of the Project will at any time be owned by a housing corporation, nor shall the Grantee take any steps in connection with the conversion to such ownership or use of unit, or to any other form of ownership, without the prior written consent of the Agency which approval may be given or withheld in its sole and absolute discretion.

1.3 Affordable Housing Covenant. The Grantee covenants and agrees for itself, its successors, its assigns and every successor in interest, that this Project shall be _____ by persons with _____ income (no greater than _____ % of median income in Merced County), at affordable

_____ housing costs, all as is defined by Health and Safety Code Division 31, Part I, Chapter 2 §§ 50050 et. seq., for a period of not less than _____ years from the date of first occupancy of the home.

The Grantee may not be released from these covenants.

2.0 Amenities; Maintenance

Grantee, at its sole expense, shall provide, maintain and repair, in a first-class condition, the interior and exterior improvements and landscaping on the Site, in accordance with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials. The Agency places prime importance on the quality of maintenance to protect its investment and to ensure that all Agency-subsidized projects are not allowed to deteriorate due to below-average maintenance. In addition, Grantee shall keep the Site free from any accumulation of debris and waste materials, and shall fully cooperate with the Merced Police Department to maintain a crime-free environment on the Site.

In the event that Grantee breaches any of the covenants contained in this subparagraph 3.0 and such default continues for a period of thirty (30) business days after receipt of written notice from Agency (with respect to landscaping, graffiti, debris, waste material, and general maintenance) or sixty (60) days after receipt of written notice from Agency (with respect to use), then Agency, in addition to whatever other remedy it may have at law or in equity, shall have the right to enter upon the Site and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, Agency and/or City shall be permitted (but are not required) to enter upon the Site and perform all acts and work necessary to protect, maintain and preserve the improvements and landscaped areas on the Site, and to attach a lien on the Site, or to assess the Site in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by Agency and/or costs of such cure, which amount shall be promptly paid by the Grantee or successor in interest to Agency within thirty (30) days after receipt of written demand, which written demand shall be accompanied by reasonable supporting documentation.

3.0 Covenants, Conditions and Restrictions.

Grantee, on behalf of itself, its successors, its assignees, and each and every successor in interest to the Site, or any part thereof, hereby covenants and agrees that:

That there shall be no discrimination against or segregation of any person or persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site, nor shall Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Site;

That all deeds, leases, or contracts made relative to the Site, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

(a) In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure, or enjoyment of the land herein leased, nor shall lessee itself or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

Shall protect, maintain and preserve the improvements located on the Site, and shall not make any substantial alteration or modification to the architectural style and treatment of the façade of such improvements without the prior written approval of Agency; and

Shall indemnify, defend, and hold harmless Agency, City, and their respective officers, officials, members, employees, agents, and representatives from and against any loss, liability, claim, or judgment relating in any manner to the Site excepting only any such loss, liability, claim, or judgment arising out of the intentional wrongdoing or active negligence of Agency, City, or their respective officers, officials, members, employees, agents, or representatives. Grantee, while in possession of the Site, and each successor or assign of Grantee while in possession of the Site, shall remain fully obligated for the payment of property taxes and assessments in connection with the Site. The foregoing indemnification, defense, and hold harmless agreement shall only be applicable to and binding upon the party then owning the Site or applicable portion thereof.

4.0 Assignment.

During the period of covenants contained in Section 1, Grantee shall not, whether voluntarily, involuntarily, or by operation of law, effect any transfer or assignment, including any transfer of management responsibilities for the Project without Agency's prior written approval, which approval shall not be unreasonably withheld or delayed.

5.0 Term of Covenants.

The conditions, covenants and restrictions contained in this Agreement Containing Covenants Affecting Real Property shall be effective for no less than _____ years. All conditions, covenants and restrictions set forth in Section 4.0 shall run with the land, and shall, in any event, and without regard to

technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Agency, its successors and assigns, and the City and its successors and assigns, against Grantee, its successors and assigns, to or of the Property or any portion thereof or any interest therein, any party in possession or occupancy of said Site or portion thereof.

6.0 Agency Beneficiary to Covenants.

In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Agency shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of Agency and such covenants shall run in favor of Agency for the entire period during which such covenants shall be in force and effect. Agency shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any action at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

7.0 Successors in Interest.

Both Agency and its successors and assigns, and Grantee and the successors and assigns of Grantee in and to all or any part of the fee and title or leasehold interest, respectively, to the Site, shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, conditions, or restrictions contained in this Agreement Containing Covenants Affecting Real Property without the consent of any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust, or any person or entity having any interest less than a fee in the Site. That covenants contained in this Agreement Containing Covenants Affecting Real Property, without regard to technical classification shall not benefit or be enforceable by any Grantee of any other real property within or outside the Project Area, or any person or entity having any interest in any other such property.

8.0 Utilities and Taxes.

Grantee, while in possession of the Property, and each successor or assign of Grantee while in possession of the Property, shall remain fully obligated for the

payment of (i) real and personal property taxes and assessments in connection with the Property, and (ii) all charges for all utilities serving the Property.

9.0 Attorney's Fees.

In the event that a party to this Agreement brings an action against the other party hereto by reason of the breach of any condition, covenant, representation or warranty in this Agreement, or otherwise arising out of this Agreement, the prevailing party in such action shall be entitled to recover from the other expert witness fees, and its reasonable attorney's fees and costs. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, including the conducting of discovery.

10.0 Amendments.

This Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Merced.

11.0 Notice.

Formal notices, demands, and communications between City and Grantee shall be sufficiently given if personally delivered, delivered by a reputable same-day or overnight courier services that provides a receipt showing date and time of delivery, or delivered by United States mail, registered or certified, postage prepaid, return receipt requested, to the following addresses:

If to City:

Redevelopment Agency
City of Merced
678 West 18th Street
Merced, CA 95430
Attn: Executive Director

If to Grantee:

All notices shall be deemed to be received as of the earlier of actual receipt by the addressee thereof or the expiration of forty-eight (48) hours after depositing in the United States Postal System in the manner described in this Section. Such written notices, demands, and communications may be sent in the same manner to such other addresses as a party may from time to time designate by mail.

12.0 Nonliability of City Officials; Agency Indemnity.

No officer, official, employee, agent, or representative of City ("City Personnel") shall be personally liable to Grantee or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Grantee or successor or on any obligations under the terms of this Agreement or any of the Agency/City Agreements.

Agency agrees to and shall indemnify, defend, and hold harmless the City and City Personnel against any and all actions, suits, claims, damages liabilities, including legal costs and attorney's fees and expert witness fees, whether or not suit is actually filed, and any judgment rendered against City and/or City Personnel (hereinafter, collectively, "Claims") that may be asserted or claimed by any person, firm, or entity arising out of or in connection with, in any manner, this Agreement.

13.0 Severability/Waiver/Integration.

13.1 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

13.2 Waiver. A waiver by either party of the performance of any covenant or condition herein shall not invalidate this Agreement nor shall it be considered a waiver of any other covenants or conditions, nor shall the delay or forbearance by either party in exercising any remedy or right be considered a waiver of, or an estoppel against, the later exercise of such remedy or right.

13.3 Integration. This Agreement contains the entire Agreement between the parties concerning the subject matter hereof and neither party relies on any warranty or representation not contained in this Agreement.

14.0 Enforced Delay; Extensions of Time.

Performance by a party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; supernatural causes; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority litigation; unusually severe weather; inability to secure necessary labor, materials or tools; acts of the other party; acts or the failure to act of a public or governmental agency or entity (except that acts or the failure to act of Agency or City shall not excuse performance by Agency or City unless the act or failure is caused by the acts or omissions of (Grantee); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. In the event of such a delay (herein "Enforced Delay"), the party delayed shall continue to exercise reasonable diligence to minimize the period of the delay. An extension of time for any such cause shall be limited to the period of the Enforced Delay, and shall commence to run from the time of the commencement of the cause, provided notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended by mutual written agreement by Agency and Grantee. The Executive Director of the Agency shall also have the authority on behalf of City to administratively approve extensions of time not to exceed a cumulative total of one hundred eighty (180) days.

15.0 Governing Law.

This Agreement shall be governed by the laws of the State of California.

16.0 No Merger.

The covenants, terms, and provisions of this Agreement shall not merge with any grant deed or other instrument pertaining to the conveyance of any interest in real property.

17.0 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall constitute one original and all of which shall be one and the same instrument.

IN WITNESS WHEREOF, Agency and Grantee have entered into this Agreement as of the Effective Date.

REDEVELOPMENT AGENCY OF THE
CITY OF MERCED, A Public Body,
Corporate and Politic, of the State of
California

BY: _____
Chairman

ATTEST:
Agency Secretary

BY: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

BY: _____
General Counsel Date

“GRANTEE”

BY: _____
(Signature)

(Typed Name)

ITS: _____
(Title)

BY: _____
(Signature)

(Typed Name)

ITS: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS: _____

TELEPHONE: _____

FACSIMILE: _____

ACKNOWLEDGEMENT

State of California

County of Merced

On _____, 20__, before me, _____, a
Notary Public, personally appeared, _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Notary Public

(seal)

ACKNOWLEDGEMENT

State of California

County of Merced

On _____, 20__, before me, _____, a
Notary Public, personally appeared, _____

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Notary Public

(seal)

RECORDING REQUESTED BY:

Redevelopment Agency of the
City of Merced, a body corporate and politic of
the State of California

WHEN RECORDED MAIL TO:

Redevelopment Agency of the
City of Merced
678 West 18th Street
Merced, California 95340

**Exempt Recording Per Gov't Code Section
6103**

(Above for Recorder's Use Only)

**NOTICE OF AFFORDABILITY RESTRICTIONS ON
TRANSFER OF PROPERTY**

NOTICE: Restrictions have been recorded restricting the price and terms at which the real property described below in this Notice ("Property") may be sold or rented. These affordability restrictions may limit the sales price or rents of the Property to an amount that is less than the fair market value of such amounts for the Property and limit the persons and households who are permitted to purchase or rent the Property to persons or households with certain income levels.

Recorded Document Containing Affordability Restrictions ("Affordability Restrictions") recorded (check one):

as Document No. _____ official records of Merced County on _____; or

concurrent with this Notice, official records of Merced County.

Name of Agency: _____

Name of Property Owner: _____

Property Legal Description: _____ See Attached Legal Description

Property Street Address: _____

Property Assessor's Parcel Number: _____

Affordability Restrictions Summary (check as applicable):

The Affordability Restrictions restrict the amount of rent that may be charged for rental housing units on the Property, as follows: _____

The Affordability Restrictions restrict the sales price that may be charged for sale of one or more housing units on the Property, as follows: _____

The Affordability Restrictions restrict the incomes level of tenants or purchasers of the Property, as follows: _____

The Affordability Restrictions commence on the date the Notice of Satisfaction of Obligations is filed and terminates after forty-five (45) years.

This Notice may not contain all of the terms and conditions of the Affordability Restrictions affecting the Property. Interested persons should obtain and read the Affordability Restrictions to determine the extent of the Affordability Restrictions applicable to the Property.

This Notice is recorded pursuant to and in compliance with Health and Safety Code Section 33334.3 (f)(3) and (4) and California Government Code Section 27287. This Notice is conjoined with CA AB 382, Chapter 596.

REDEVELOPMENT AGENCY OF THE
CITY OF MERCED, A Public Body,
Corporate and Politic, of the State of
California

BY: _____
Chairman

Property Assessor's Parcel Number: _____

Affordability Restrictions Summary (check as applicable):

The Affordability Restrictions restrict the amount of rent that may be charged for rental housing units on the Property, as follows: _____

The Affordability Restrictions restrict the sales price that may be charged for sale of one or more housing units on the Property, as follows: _____

The Affordability Restrictions restrict the incomes level of tenants or purchasers of the Property, as follows: _____

The Affordability Restrictions commence on the date the Notice of Satisfaction of Obligations is filed and terminates after forty-five (45) years.

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REDEVELOPMENT AGENCY OF THE
CITY OF MERCED, A Public Body,
Corporate and Politic, of the State of
California

BY: _____
Chairman

ACKNOWLEDGEMENT

State of California

County of Merced

On _____, 20____, before me, _____, a
Notary Public, personally appeared, _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Notary Public

(seal)

RECORDING REQUESTED BY:

Redevelopment Agency of the City of Merced, A public body, corporate and politic of the State of California

WHEN RECORDED MAIL TO:

Redevelopment Agency of the City of Merced
Agency Secretary
678 West 18th Street
Merced, California 95340

Exempt Recording Per Gov't Code Section 6103

(Above for Recorder's Use Only)

**AGREEMENT AFFECTING REAL PROPERTY
GRANTING FAÇADE EASEMENT**

THIS AGREEMENT is made this ____ day of _____, 20____, between _____ ("Grantor"), and the Redevelopment Agency of the City of Merced, a public body, corporate and politic, of the State of California ("Grantee").

W I T N E S S E T H

1. That Grantor, in consideration of the sum of _____ Dollars (\$ _____), paid by Grantee, the receipt of whereof is hereby acknowledged, does hereby grant to Grantee, its successors and assigns, a façade easement over, through and across the real property described in Exhibit "A" attached hereto (APN _____, the "Property").

2. Grantor further covenants and agrees, at its sole cost and expense, to maintain and keep in good repair, and renew from time to time the building façade on said Property, all in such manner as shall be satisfactory to Grantee.

3. In case of failure on the part of Grantor to perform promptly and fully the obligations imposed upon Grantor by this Agreement and upon expiration of

thirty (30) days written notice to Grantor of such failure, Grantee may perform such obligation and Grantor will promptly repay Grantee upon presentation of a statement therefore the entire amount expended in the performance thereof.

4. Grantor assumes full responsibility for accidents or damages which may arise out of the use of said Property from improper or faulty construction, maintenance or use, or from the negligence of any person engaged in activities thereon, and agrees to pay all cost and expense, loss and damage to persons or property arising from these causes and protect, defend, indemnify, and hold Grantee harmless therefrom.

5. The easement created by this Agreement shall maintain in full force and effect for _____ () years from the mutual execution of this Agreement. This Agreement Granting Façade Easement shall be assigned to Grantee and its successors in interest throughout the duration of this Agreement.

6. The grants, covenants and stipulations hereof shall extend to and be binding upon the respective successors and assigns of the parties hereto.

In witness whereof, Grantor and Grantee have executed this Agreement as of the date first above written.

GRANTOR:

Address: _____

Telephone No. () _____

GRANTEE:

REDEVELOPMENT AGENCY OF
THE CITY OF MERCED,
A public body, corporate and politic, of the
State of California

By: _____
Executive Director

ATTEST:
Agency Secretary

By: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

By: _____
General Counsel Date

Verified by Finance Officer:

Finance Officer

ACKNOWLEDGEMENT

State of California

County of Merced

On _____, 20____, before me, _____,
a Notary Public, personally appeared, _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Notary Public

(seal)

ACKNOWLEDGEMENT

State of California

County of Merced

On _____, 20 __, before me, _____,
a Notary Public, personally appeared, _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Notary Public

(seal)