



CITY OF HAGERSTOWN, MARYLAND

Department of Community & Economic Development

14 N. Potomac Street • Suite 200A • Hagerstown, MD 21740

Email: DCED@Hagerstownmd.org

Telephone: 301.739.8577, Ext. 111 • Website: www.hagerstownmd.org/DCED

INVEST HAGERSTOWN – RENTAL PROPERTY REHABILITATION GRANT PROGRAM

PROGRAM GOALS

In partnership with private developers, the City of Hagerstown wishes to:

1. Inspire and enable significant redevelopment, both city-wide and in the urban core, reusing and repurposing existing vacant and under-utilized properties, in which there are significant market and/or physical condition barriers to development or redevelopment.
2. Create the opportunity for new jobs throughout the City of Hagerstown and Washington County.
3. Increase the value of Hagerstown’s commercial and mixed-use properties.
4. Strengthen and improve market rate rental properties and increase homeownership.

Summary

The goal of the Rental Property Rehabilitation Program is to provide an incentive to landlords and property owners to revitalize existing rental and mixed-used buildings and units, and encourage the construction of new elements that will contribute to the overall enhancement of the City Center. This program is subject to funding availability and is on a first come, first served bases. All projects must pertain to rental properties, and landlord occupied units are applicable.

Guidelines

Program Summary

1. Grants range from a minimum of \$7,500, to a maximum of \$20,000 for rental property rehabilitation to market rate rental.
2. The grants require a 2:1 match from the developer. Example: A \$7,500 grant would require a \$15,000 investment from the developer, for a total project investment of \$22,500.

Rental Rehabilitation Grant		Required Match (at least)	Project Total (at least)
Grant Minimum	\$7,500	\$15,000	\$22,500
Grant Maximum*	\$20,000	\$40,000	\$60,000

* Projects receiving grants greater than \$7,500 require rehabilitation of two (2) or more units within a single property/parcel.

3. A project may be defined as either planned or in progress. Completed projects are ineligible for consideration. For projects that are planned, the project must start within 6 months of application. For projects that are in-progress, the applicant will be required to demonstrate expenditures equal to the grant and the required match (example: \$7,500 + \$15,000 = \$22,500) related to work that was completed within 30 days prior to date of approval and the required date of completion. The City determines the required date of completion based on the project completion date shown on the application plus reasonable contingency.

4. Applications that are defined as "In Progress" must have no more than 15% of total work completed by cost, excluding contractor deposits, at time of application for the proposed scope of work applicants are applying for.
5. The Review Committee shall require a walkthrough of applicant properties with projects that are defined as "In Progress" prior to application approval.
6. Applications are reviewed and approved by the Invest Hagerstown Review Committee on a first come, first served basis.
7. Funding shall be disbursed upon completion of project as described by the applicant in the Application and Development Plan.
8. Acquisition and permit costs shall not be considered a part of the project costs.
9. All projects shall comply with federal, State and local codes, laws and ordinances.
10. All grants are subject to funding availability and final use restrictions.

I. Eligibility Criteria

1. Project must be an existing rental property within the City of Hagerstown, and registered through the City's Rental Facilities Program (Rental License Program).
2. Project may be mixed-use properties where all upper floors are residential and only the first floor is commercial.
3. A developer with multiple properties in the City, is only eligible for one grant per fiscal year for one selected property. Only one grant will be awarded per property. Additional work or phases of a project for the same property are ineligible for additional, future applications. Exceptions may be made for a developer rehabilitating up to 3 contiguous properties on separate parcels in a single fiscal year.
4. The applicant must be the party responsible for the costs of the improvements.
5. Total project funds, including awarded Grant funding, must be applied to project costs directly related to meeting eligibility requirements of minimum square footages, amenities and core systems for the property.
6. Total project cost, not including acquisition, must demonstrate a minimum 2:1 match. For example, the \$7,500 grant application must show at least a \$15,000 developer contribution.
7. Residential units *created* must meet the following minimum square footages requirements:
 - a. 400 Sq Ft for an efficiency unit.
 - b. 500 Sq Ft for a one-bedroom unit.
 - c. 650 Sq Ft for a two-bedroom unit
 - d. 900 Sq Ft for a three-bedroom unit.
8. For a project with Artist Live-Work Spaces, any live-work unit *created* must meet the following minimum square footage requirements:
 - a. 800 Sq Ft for an efficiency unit.
 - b. 1,000 Sq Ft for a one-bedroom unit.
 - c. 1,300 Sq Ft for a two-bedroom unit.
 - d. 1,800 Sq Ft for a three-bedroom unit.
9. The application will be evaluated on the following list of desired amenities:
 - a. Fully sprinklered (requirement determined by the Fire Marshal);
 - b. Central or split-system HVAC system;
 - c. Washer and Dryer;
 - d. Dishwasher;

- e. Fully wired for new technologies including phone/Datacom;
 - f. Wood veneer or solid wood kitchen and bathroom cabinets;
 - g. Approved solid surface counter tops in kitchen and bathrooms;
 - h. Refinished or new hardwood floors or wall-to-wall carpeting in areas other than kitchen and bathrooms; and
 - i. Where possible, outdoor amenities should be provided for tenants (e.g., balconies, roof top decks, back porches, sunrooms, etc.).
10. For a project with Artist Live-Work Spaces, the application will be evaluated on the following list of desired amenities:
- a. All items listed in #8 above;
 - b. Ability to vent odors to the outdoors in accordance with the Mechanical Code;
 - c. Plumbed to allow for easy installation of slop sinks;
 - d. Utility capacity to meet needs of different art forms, including electric, gas, water and wastewater; and
 - e. Sound transmission rating between units of a minimum STC 60 for partition walls.
11. The building and all core systems must meet all City of Hagerstown code requirements upon project completion. The core systems include:
- a. Residential unit, commercial shell tenant space and common use area base lighting, emergency lighting, and exit signage, as applicable, is to be provided and maintained in accordance with the current Building, Electrical, and Life Safety Codes.
 - b. HVAC systems are to provide heating, cooling, and ventilation in each residential unit and commercial shell tenant space in accordance with the current Mechanical Code. A separate mechanical permit is required for any modification or addition made to a system at tenant fit-out.
 - c. Required fire separation between the residential units, commercial shell tenant spaces, and common use areas must be provided and maintained in accordance with the current Building Code.
 - d. Phone/Datacom wiring from the main point of service into each residential unit and commercial shell tenant spaces is to be provided with all penetrations of fire resistant assemblies properly sealed in accordance with the current Building Code.
 - e. Where fuel-fired heating systems are removed and replaced with all electric heating systems (baseboard or others), appropriate replacement windows and sufficient building thermal insulation is to be provided in accordance with the current Building and Energy Conservation Code to ensure each tenant is subject to reasonable electric utility costs.
12. In mixed-use buildings, the ground floor storefront spaces shall be used for retail, restaurants, branch banks, personal service businesses (e.g., hair salons), arts and entertainment enterprises, educational facilities, and other similar high intensity uses that attract pedestrian traffic which will support other downtown businesses and contribute to the vitality of the downtown. An office use may be located in a storefront space if the business owner is an owner-occupant of a residential unit on an upper floor of the same building. All other professional and non-profit office tenants shall not be located in storefront spaces. If the building has a common entrance for all tenants without display windows for tenants, offices may locate throughout the first floor.
13. Application must be aligned with the City of Hagerstown's vision for the City Center.

II. Ineligible Applications

1. Projects that convert owner-occupied homes to rental properties.
2. Projects that do not meet the minimum investment threshold.

3. Applicants who are not in good standing with the City, County, State or Federal Governments.
4. Non-profit development applicants.

III. Funding Guidelines

1. Funding may be secured by multiple sources.
2. Applicants may apply and utilize other grant and incentive programs.
3. No City loans, grants or pass through funding may be used as part of the applicant's match.

IV. Program Process

1. A development plan, which outlines the renovation schedule and major components of the project, shall accompany the application form.
2. Applications shall be reviewed by a committee called the Invest Hagerstown Review Committee, consisting of:
 - a. Community & Economic Development Director
 - b. Planning & Code Administration Director
 - c. Finance Director
 - d. Community Development Manager
 - e. Neighborhood Services Manager
 - f. Economic Development Specialist
3. Applications are accepted on a continual basis, and the Invest Hagerstown Review Committee will meet monthly to review submissions.
4. The Invest Hagerstown Review Committee will evaluate the application against the following criteria:
 - a. Adherence to the Eligibility Criteria for Rental Rehabilitation Grants outlined in Section I, Paragraphs 1 through 13;
 - b. Consistency with goals of the Invest Hagerstown program;
 - c. Aesthetic impact on immediate neighborhood;
 - d. Financial feasibility of proposed funding sources;
 - e. Potential for increase and/or stabilization of rent;
 - f. Potential for unit reduction;
 - g. Development experience of applicant;
 - h. Proposed timeline and completion date; and
 - i. Investment impact.
5. The approved applicants will receive a Letter of Commitment from the City of Hagerstown which may be used to assist in financing the project.
6. All work for the project must be performed by licensed, permitted contractors, and must comply with local, state, and federal codes and ordinances.
7. All code upgrades must be performed to City Code, and will be regulated through the City's Planning and Code Administration Department.
8. Following renovations, developer(s) will be required to submit a copy of the State of Maryland lead paint certificate to the City for each unit in properties constructed prior to 1978.
9. Monthly status updates shall be supplied by the developer to the Invest Hagerstown Review Committee through the City of Hagerstown Department of Community and Economic Development – dced@hagerstownmd.org.
10. Funds will only be disbursed after staff have verified all work in the Application and Development Plan has been completed to the City's satisfaction, including all required site inspection approvals, and that the receipts requirement has been met.

Return application to:

City of Hagerstown

Department of Community & Economic Development

14 N. Potomac, Suite 200A, Hagerstown, MD 21740

Phone: 301-739-8577 ext 111

Email: dc@d@hagerstownmd.org

[vs. 10.25.2023]



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INVEST HAGERSTOWN

Rental Rehabilitation Grant Program Application

Property Information:

Property Address: _____, Hagerstown, MD Zip: _____

Check One: 100% Residential Mixed-Use Property

Applicant Information (legal ownership of property):

Applicant's Name: _____

Applicant's Address: _____

Applicant's Phone: _____ Applicant's Email: _____

Business Name (if applicable): _____

Business Address (if applicable): _____

Business Phone Number: _____ Business Website: _____

Requested Grant Amount: \$_____ (\$7,500, max \$20,000 with rehabilitation of two or more units within a single property/parcel))

Developer Match Amount: \$_____ (2:1 required) (range \$15,000 - \$40,000+)

Total Project Cost: \$_____ (range \$22,500 - \$80,000+)

Project Information:

Date Property was Purchased: _____

Date Property was first Rented: _____

If vacant, how long has the property been 100% vacant? Since _____ (month/year)

If partially vacant, _____% Vacant Since _____ (month/year)

Total Number of Units: _____

Is the property currently registered through the City's Rental Facilities Program (Rental License Program)? Yes, As Of _____ No

Are new residential units proposed? Yes No

Please provide the following information about each of the units:

Current

Unit #	Total Sq Ft	# Bedrooms	#Baths	Current Rent

Proposed – Following Renovation

Unit #	Total Sq Ft	# Bedrooms	#Baths	Expected Rent

Please provide a separate breakdown for any/all additional Units being renovated.

Expected Start Date: _____

Time frame for project completion: _____

Expected Completion Date: _____

Note: Any schedule beyond two years shall require Mayor and City Council approval.

Required Attachments:

- Description of proposed renovations, amenities and finishes.
- Examples of product types proposed to be used.
- Current and proposed floor plans of unit(s) and design plans.
- Project budget and construction cost estimates itemizing the scope of work for the project.
- Project timeline.
- Photo(s) including 1 front, street view of the property.
- Financing plan showing proposed funding sources and any other incentives or grants being used (bank statement, confirmed loan letter, award letters, etc.)

If approved, the developer shall be responsible to report the following to the City of Hagerstown Department of Community and Economic Development – dced@hagerstownmd.org :

1. Progress reports every month on status of project milestones and any anticipated changes to the project plans;
2. Reporting to the City, at completion of construction, the square footage of each residential unit and any tenant space.
3. Copy of the State of Maryland Lead Paint Certificate for each unit in properties constructed prior to 1978.

Applicants must comply with all conditions indicated on their application form and in the published Program Guidelines and subsequent information provided in support of this application and eligibility criteria of the program, particularly including receipt of buildings permits for proposed work and implementation of approved development plan and schedule. Any changes to the approved development plan and schedule must be resubmitted for review and approval of the Invest Hagerstown Review Committee to determine continued eligibility of the project. If a project is disqualified, any financial incentives received to date will be required to be repaid to the City. There may be additional project information requested from the developer at any time during the process.

Applicant Signature:

By signing below, I certify that the information above is true and correct, I agree to comply with the program requirements and eligibility as described in the Invest Hagerstown Grant Guidelines, and I understand that if my application is approved, failure to comply will result in termination of the Letter of Commitment.

Applicant’s Signature

Date

Return to:

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