



## **FACADE IMPROVEMENT PROGRAM**

### **AMENDED AND RESTATED GUIDELINES – June 2011**

As part of an overall economic development strategy, a Façade Improvement Program provides assistance to eligible property owners to enhance storefronts in commercial buildings within designated areas. The program is administered by the Redevelopment and Housing Department (RAHD). Funding for the program will come from different sources, such as Community Development Block Grants and the Redevelopment Agency. Available funds are subject to allocation and will be disbursed on a first come, first serve basis.

The following guidelines identify the features and requirements for qualifications for this program. A program application and related documents must be completed and signed by the applicant to be considered for assistance. The City or Redevelopment Agency and applicant will execute all applicable documents (“Program Documents”) outlining the terms and conditions of the assistance.

### **I. QUALIFICATIONS AND CONDITIONS**

#### **A. ELIGIBILITY**

##### **Applicant:**

- The property owner(s) of an eligible building or property. The loan application must be signed by all legal property owners. The applicant may authorize a third party to act on their behalf, but only the owner(s) can sign/execute the Program Documents. Proof of ownership and authorization to act on owner(s) behalf, if applicable, must accompany the application.

##### **Building and/or Property:**

- Building or property must be located within the City limits. Other geographical restrictions may apply depending on funding source.
- Properties affected by unresolved code enforcement issues or actions will not be eligible under this program unless participation in the program will resolve code enforcement issues.
- Buildings that have received assistance through the Program within the last ten years from the date on the letter of completion issued by RAHD will be eligible only if there

are extenuating circumstances, which could include but may not be limited to, damage to the building or business relocation.

### **Improvements:**

- Improvements must be visible from an exterior public area or street and may include items such as:
  - (a) Painting of the entire exterior of the building
  - (b) Construction, installation and/or renovation of exterior awnings, marquees, doors, windows, signs, and exterior lighting. Other improvements such as sidewalks/walkways, on-site parking areas, and landscaping may be eligible only after all other required improvements had been incorporated into the scope of work.
- RAHD reserves the right to require certain minimum improvements as part of the program in order to meet the objectives of the program. For example, facade repainting and/or applying anti-graffiti coating to windows may be required as a minimum improvement. Other eligible improvements may be incorporated into the scope of work only after all required improvements have been included in the scope of work.
- Certain types of improvements such as roofing, general structural upgrade work, and/or general routine maintenance are **not eligible** unless considered to be an integral part of the facade improvement.

### **Other eligible costs:**

- Permits and Fees: Applicant shall be responsible for all permits and fees lawfully required to construct the facade improvements. These costs will be payable by applicant and shall be considered eligible expenditures.
- Design costs: Costs for design consultants and/or the preparation of plans and specifications are payable by the applicant and are considered an eligible cost. Designer must have the appropriate licenses. Applicant shall be responsible for obtaining RAHD approval of the design prior to approval of application, submittal for permit and/or the start of construction.

## **B. CONDITIONS**

**Applicant is not to begin any improvements to the property before obtaining design approval and required permits.** Construction, renovation or painting costs incurred prior to the execution of the contract will not be eligible for reimbursement. Exceptions may be made, at the discretion of RAHD, in cases where public safety would be compromised if the improvements are delayed.

**Design:**

- Preparation of all working/conceptual drawings will be the applicant's sole responsibility. RAHD reserves the right to require applicant to obtain assistance from a design professional.
- All improvements must be approved by RAHD prior to submittal for a permit and/or application approval. Improvements must comply with all local, Federal and State codes, Downtown Architectural Guidelines, if applicable, and Watsonville Signage Guidelines (available upon request).

**Construction/Permits:**

- Upon receipt of approved conceptual/working drawings, RAHD will put the job out to bid. Applicant is responsible for selecting the contractor(s) and executing the construction contract(s). RAHD reserves the right to approve the winning bid(s) and contractor(s) prior to the execution of the construction contract.
- All work must be constructed by contractors licensed by the State of California. All contractors must have a valid Watsonville business license and adequate and appropriate insurances and amounts. All contractors performing work paid for by the Program are subject to the provisions of the Davis-Bacon Act and/or California Prevailing Wage requirements. Applicant is responsible for ensuring that the selected contractor(s) has the required licenses and insurances and adheres to the provisions of the Davis-Bacon Act and/or California Prevailing Wage requirements. RAHD reserves the right to monitor contractor(s) for compliance with State, Federal and local labor standards.
- Acquisition of required permits for improvements must be obtained prior to the start of construction. All permit fees must be paid by the applicant and are eligible costs under this program.
- All improvements must be completed within six months of execution of the Agreement unless a written extension is granted by the City. Failure to meet this deadline will result in the cancellation of all program obligations regarding the reimbursement of any eligible past or future costs in connection with the design or construction of the improvements.

**Maintenance Obligation:**

- The Program Documents executed by the City or Agency and the applicant, shall require the applicant to maintain the improvements to the property in good condition and repair and in accordance with local, Federal and State codes for a period of ten years from the date on the letter of completion issued by RAHD
- If an applicant fails to maintain the improvements in such good condition during the term of the agreement, the grant must be immediately repaid as indicated in Section II, Grant Terms and Conditions, below. City and/or RAHD staff will inspect the improvements described in the agreement during that time.

## II. PROGRAM TERMS AND CONDITIONS

### A. AMOUNT/TERMS

Subject to available funding, assistance is available up to \$20,000 per side of building being improved with a maximum assistance amount of \$40,000 per building. The amount of assistance provided will be amortized over ten years at 0% interest with the applicant responsible for making monthly payments starting on the 1<sup>st</sup> day of the 1<sup>st</sup> month after completion of the improvements. If the improvements have been maintained in good condition at the end of five years and all payments are up to date, then, at RAHD's discretion, 50% of the amount of assistance provided or balance of the unpaid amount, whichever is less, shall be forgiven.

### B. FUNDING

- Funds will be disbursed upon the completion of the work and:
  1. City's and/or RAHD's and applicant's inspection and approval of work done; and
  2. Submission to RAHD by applicant of request for payment/reimbursement and original invoices. Proof of any payments made by applicant is required to be submitted with request and original invoices in order for the applicant to receive direct reimbursement for those expenses. Otherwise, the request will be processed as a payment to the contractor(s). In addition, evidence that the applicant's share of the project costs not covered by the Program have been paid, if applicable, must be submitted before any Program funds will be disbursed.

### C. MAINTENANCE OBLIGATION

- At any point upon RAHD's determination that the property has not been maintained in good condition, RAHD will notify the applicant in writing of the failure. If the applicant fails to cure the deficiencies within 30 days, the remaining balance of the assistance provided shall be immediately due and payable.
- Conditions that constitute a failure to maintain the property in good condition include, but are not limited to, peeling paint, chipped surfaces, broken windows, covered transoms or window spaces, boarded windows, excessive bird droppings or debris, graffiti and illegal or non-conforming signage.

## III. PROGRAM PROCEDURE

### A. APPLICATION

- A completed application signed by all of the legal property owners must be submitted to RAHD along with the required documents listed on the application.
- RAHD will review the application, determine eligibility, and set up a meeting with the applicant and/or design professional.

## **B. DESIGN AND APPROVAL**

- RAHD will meet with the applicant and/or design professional to identify and discuss the proposed improvements that will be implemented. Changes to the agreed upon improvements must be approved by RAHD prior to submittal for permits and/or start of construction or they will be ineligible for inclusion through the Program.
- If permits are required, the applicant's design professional is responsible for providing the working drawings, as approved by RAHD, and coordinating with the applicant submittal of the drawings and applicable documents to the City for approval. Any significant changes to the approved design must be approved by RAHD prior to obtaining permits and/or start of construction.
- RAHD will put the job out to bid upon receipt of the approved drawings. Applicant is responsible for selecting contractor(s) and executing the construction contract(s); however, RAHD reserves the right to approve the winning bid(s) and contractor(s) prior to the start of construction.
- RAHD will determine the level of funding to be provided under the Program prepare the Program Documents and transmit them to the applicant for signature.
- After the Program Documents are signed, the applicant may execute the contract(s) with the contractor(s).

## **C. CONSTRUCTION AND COMPLETION**

- Applicant is responsible for ensuring that** all required permits are obtained prior to start of construction; and, the Contractor(s) is responsible for ensuring that all required inspections are performed and permits are finalized.
- The applicant, City and/or RAHD will monitor the contractor's work.
- RAHD will review the completed improvements and, if found complete and satisfactory, will, upon receipt of request for payment/reimbursement, pay the portion of the invoice(s) covered by the Program. Upon completion of the project, RAHD will issue a letter of completion.

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