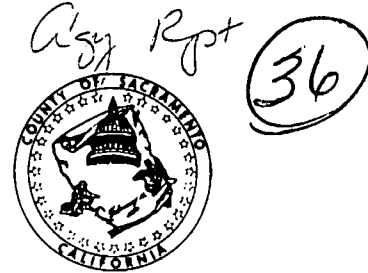




**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



CITY MANAGER'S OFFICE
RECEIVED
MAY 30 1984
APPROVED
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

Redevelopment Agency of the
City of Sacramento
Sacramento, California
and
Sacramento City Council
Sacramento, California

JUN 6 1984

Honorable Members in Session:

SUBJECT: Approval of Guidelines and Allocation of Community
Development Block Grant Funds for the Commercial
Facade Improvement Program

SUMMARY

This staff report involves: (1) approving the establishment and administration of a facade program for utilization in the commercial revitalization and redevelopment target areas and (2) reallocating Community Development Block Grant (CDBG) funds previously earmarked for general economic development activities for specific use in this program.

BACKGROUND

The Facade Program has been developed to stimulate building improvements and upgrade the appearance of commercial properties in commercial revitalization target areas. It is recommended to stimulate more comprehensive involvement in the revitalization of the target areas and to complement the other financing tools which will be available, i.e., the commercial rehabilitation program and the commercial development loan program. (These latter two programs are currently available in the County only. Negotiations currently underway with First Interstate Bank will make operation in the City feasible in the near future.)

As per the attached guidelines, the facade program will provide financing for improvements consistent with the design standards developed for the commercial areas. The program will allow

6-6-84
All Districts

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
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participating business operators or property owners to receive rebates of up to 50% of the costs for completed improvements to their properties, or a maximum amount of \$5,000. Eligible items will include facade renovation, signs, exterior lighting and certain types of passive energy conservation improvements. The program will be administered by the Policy/Planning Department of the Agency and requires approval of the Economic Development Financing Committee. The detailed process which will be followed for review and approval is outlined in the attached guidelines. All facade improvements must be consistent with the City or County Building Code and Zoning requirements.

ENVIRONMENTAL REVIEW

Where available, a blanket environmental review which encompasses the entire commercial target area will be used to fulfill this requirement. Otherwise, environmental reviews will be performed by Agency staff when required on a building-by-building basis.

POLICY IMPLICATIONS

This program is consistent with the Agency economic development goals and objectives to promote joint public/private action and investment in the commercial revitalization target areas.

FINANCIAL DATA

Staff recommends the reallocation of \$90,000 of 1984 City Economic Development Funds for this program. For your recollection an additional \$65,000 has previously been allocated for the 12th Street Commercial Revitalization Area. The requested funding levels are based upon a preliminary assessment of the level of interest in the target areas for this program, which include Stockton Boulevard and Del Paso Boulevard. The allocation of these funds will leave a balance of \$64,074 in the City Economic Development Program. See summary sheet, Attachment 2.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Page Three

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of June 4, 1984 the Sacramento Housing and Redevelopment Commission will adopt a motion recommending you take the above action. In the event they fail to do so, you will be advised prior to your June 6, 1984 meeting.

RECOMMENDATION

The staff recommends adoption of the attached resolution to establish and administer the commercial facade program and to reallocate Community Development Block Grant funds for its operation.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL

Walter J. Slipe, Jr.
WALTER J. SLIPE
City Manager

Contact Person: Thomas V. Lee
440-1355

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RESOLUTION NO. 84-037

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

COMMUNITY DEVELOPMENT BLOCK GRANT COMMERCIAL FACADE PROGRAM

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

Section 1. The Executive Director, or his designated representative, is authorized to establish and administer the Commercial Facade Program in accordance with the Program Guidelines attached to the staff report as Exhibit "A".

Section 2. The Executive Director is authorized to utilize up to Ninety Thousand Dollars (\$90,000.00) of City Community Development Block Grant funds, as needed, for the purpose of administering the Commercial Facade Program authorized in this Resolution.

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

JUN 6 1984

COMMERCIAL FACADE IMPROVEMENT PROGRAM

I. INTRODUCTION

The Facade Rebate Program is designed to stimulate building improvements and upgrade the appearance of commercial properties in commercial revitalization target areas. The facade rebates are provided in recognition of the extremely valuable impact these investments have on the effort to maintain the vitality of the commercial areas. The objective of this program is to promote joint public/private action and investment in the targeted areas which will complement and enhance the large scale revitalization efforts planned for these areas. All facade improvements must be consistent with the design guidelines established for the target area. The administration of this program will be the responsibility of the Sacramento Housing and Redevelopment Agency through the Policy and Planning Department. The Facade Rebate Program will initially be funded with Community Development Block Grant and Tax Increment funds and subsequently by other funds when available.

These guidelines have been developed to present the basic elements of the Facade Rebate Program with specific emphasis on the eligibility criteria for selection of applicant/areas, types of improvements and reimbursable expenditures. Details of the necessary documentation for processing grants under this program are outlined in the Procedural Steps.

II. FACADE REBATE PROGRAM DEFINITIONS

For purposes of this program, the following definitions will apply:

1. Awning Canopy - A temporary shelter, sometimes retractable, that is supported entirely from the exterior wall of a building.
2. Codes - The Building Code and Zoning Code of the City or County of Sacramento, latest editions.
3. Davis-Bacon Wage Rates - Minimum prevailing wage rates for laborers as established by the Department of Labor which apply to construction contracts over \$2,000.
4. Design Review Committee - A committee consisting of property owners and business operators in the commercial revitalization area which will be responsible for plan review of exterior improvements for consistency with established Design Guidelines.

5. Design Guidelines - Architectural design guidelines developed for rehabilitation and new construction in the commercial revitalization area.
6. Economic Development Financing Committee - A subcommittee of the Sacramento Housing and Redevelopment Commission (SHRC) which will review and approve economic development financing projects.
7. Exterior Lighting - Lighting fixtures and the installation of same, attached or connected to building undergoing renovation. Exterior lighting does not include free standing lighting in the public way.
8. Facade - The entire exterior front surface of a building from grade to the roof line. Improvements above the storefront level are only eligible when performed in conjunction with storefront improvements. Where a building abuts two streets and/or an alley, empty lot, parking area, or open space, such building may have other faces considered facades at the discretion of the Economic Development Unit. Decorative fencing and landscaping of vacant parcels adjacent will also be considered on an individual basis.
9. Landscaping - Landscaping items (e.g., trees, bushes, planter boxes), are eligible only when considered integral to the facade treatment of the building. Eligibility is determined at the discretion of the Economic Development Financing Committee.
10. Final Design - Detailed drawings showing the refined Preliminary Design and revised cost estimates.
11. Passive Energy Conservation Equipment - Equipment and/or materials which by their very nature and method of use and installation improve the energy efficiency of the building. Such equipment must be part of the building and may include canopies, awning, shutters, or other shading devices, and special glazing.
12. Preliminary Design - Initial conceptual sketches of improvements based on the objectives of the owner(s).
13. Professional Fees - Those expenses not spent on physical improvements, materials, equipment, or labor directly related to their installation. These costs include, but are not limited to: architectural/engineering fees, and legal expenses.
14. Shutter - Moveable cover or screen for a door or window to provide protection from the elements.
15. Sign - Any commercial sign attached to the building which is consistent with the City or County of Sacramento Sign Ordinance.

5. Design Guidelines - Architectural design guidelines developed for rehabilitation and new construction in the commercial revitalization area.
6. Economic Development Financing Committee - A subcommittee of the Sacramento Housing and Redevelopment Commission (SHRC) which will review and approve economic development financing projects.
7. Exterior Lighting - Lighting fixtures and the installation of same, attached or connected to building undergoing renovation. Exterior lighting does not include free standing lighting in the public way.
8. Facade - The entire exterior front surface of a building from grade to the roof line. Improvements above the storefront level are only eligible when performed in conjunction with storefront improvements. Where a building abuts two streets and/or an alley, empty lot, parking area, or open space, such building may have other faces considered facades at the discretion of the Economic Development Unit. Decorative fencing and landscaping of vacant parcels adjacent will also be considered on an individual basis.
9. Landscaping - Landscaping items (e.g., trees, bushes, planter boxes), are eligible when considered integral to the facade treatment of the building. Eligibility is determined at the discretion of the Economic Development Financing Committee.
10. Final Design - Detailed drawings showing the refined Preliminary Design and revised cost estimates.
11. Passive Energy Conservation Equipment - Equipment and/or materials which by their very nature and method of use and installation improve the energy efficiency of the building. Such equipment must be part of the building and may include canopies, awning, shutters, or other shading devices, and special glazing.
12. Preliminary Design - Initial conceptual sketches of improvements based on the objectives of the owner(s).
13. Professional Fees - Those expenses not spent on physical improvements, materials, equipment, or labor directly related to their installation. These costs include, but are not limited to: architectural/engineering fees, and legal expenses.
14. Shutter - Moveable cover or screen for a door or window to provide protection from the elements.
15. Sign - Any commercial sign attached to the building which is consistent with the City or County of Sacramento Sign Ordinance.

- 16. Working Drawings and Specifications - The drawings which show detailed methods of installation and materials, and the specifications therefrom to be followed in constructing the improvements.

III. ELIGIBLE APPLICANTS/AREAS

A. Applicants

Owners and tenants of commercial property are eligible to apply for assistance. Tenants are required to provide documentation of the property owner's consent of the improvements at the time of initial application. Written consent may either be in the form of a lease indicating the lessee's responsibility for property renovation and repair or documentation of the property owner's agreement to the proposed rehabilitation.

B. Areas

Areas which are located within commercial revitalization target areas or designated redevelopment project areas are eligible for assistance under this program. (See Attachment A for a listing of maps and eligible areas.)

IV. ELIGIBLE REIMBURSABLE EXPENDITURES

Approved property owners and merchants who install at least \$500 of improvements per storefront are eligible for a rebate up to 50% of the costs. The Agency's maximum rebate is \$5,000 per storefront for all approved improvements. If a building has several storefronts, each storefront may be eligible for a rebate of up to \$5,000.

Approved rehabilitation of upper floor facades is also eligible if first floor improvements are approved and/or performed. Professional, legal, architectural and City permit fees may be included in the total storefront improvement costs.

Rebates will be made for improvements started and completed after the Agency's acceptance of the final plans and specifications. Receipt of the rebate is subject to an inspection by Agency staff and the submission of complete documentation of project costs, including:

- 1) the applicant's cancelled checks and bills;
- 2) copies of building permits;
- 3) all contractor's waivers of liens;
- 4) any necessary contractor's documentation regarding Federal prevailing wage rates; and,
- 5) a photograph of the building after completion of the facade improvements.

V. ELIGIBLE TYPES OF IMPROVEMENTS

Eligible improvements may include: facade renovation, signs, doors, windows, awnings, graphics, exterior lighting improvements, landscaping and decorative fencing and landscaping of vacant parcels in connection with a facade treatment and certain types of passive energy conservation improvements. All improvements must conform with the City and County of Sacramento Building Codes and the Design Guidelines adopted for the area. Participant's proposals will be subject to design review by both the local business association or Design Review Committee for the area and Economic Development Financing Committee.

VI. CERTIFICATION AND COMPLIANCE REQUIREMENTS

As a function of the use of different sources of public funding, the recipient will be required to certify compliance with certain regulations. For example, if Community Development Block Grant (CDBG) funds are used, Davis-Bacon wage rates must be paid to laborers for construction work over \$2,000. In addition, an environmental review of the facade improvements will be required and performed by Agency staff.

Before the rebate is received, along with the cost documentation, documentation providing compliance with these requirements must be submitted to the Agency.

The staff of the Agency will provide assistance to the prospective recipient to insure compliance with these requirements.

VII. APPEAL PROCESS

The applicant has the right to appeal the Design Review Committee decision to the Economic Development Financing Committee (EDFC) and, in turn, appeal the EDFC decision to the full Sacramento Housing and Redevelopment Commission.

FACADE REBATE PROGRAM PROCEDURES

Step 1: Initial contact is made with grant recipient. This step can occur with either the Commercial Revitalization Coordinator hired for the individual commercial target area or may be handled by the Sacramento Housing and Redevelopment Agency's (SHRA) Planning and Policy Development (P/PD) staff. The initial contact should determine whether the project is located within a target area and if the proposed activities are within the program guidelines. The Facade Rebate Program Guidelines will be reviewed and a copy of the Guidelines, including the application form, will be provided to the potential applicant.

Step 2: Merchant or property owner fills out application form and sends application to the P/PD with: 1) a \$35.00 non-refundable application fee made out to the Sacramento Housing and Redevelopment Agency (NOTE: Only one fee per building is required); 2) a photograph of the storefront; and, 3) if the individual applying is not the property owner, documentation proving the individual has the authorization of the property owner to perform the facade renovation work.

Step 3: Application is reviewed by the P/PD to determine whether the activities are within the program guidelines.

Step 4: Preliminary plans (two copies), color samples, awning designs (if included) and a preliminary budget, should be submitted for review and approval by the Design Review Committee, the Economic Development Financing Committee and Agency staff. (NOTE: All information should be submitted together.) An environmental review of the project will occur at this stage. Decisions of the Design Review Committee can be appealed to the Economic Development Financing Committee. Decisions of the Financing Committee may, in turn, be appealed to the full Sacramento Housing and Redevelopment Commission, which shall be the final arbitrator in this program.

Step 5: Upon approval of the preliminary plans, the applicant should prepare and submit final plans, specifications and detailed cost estimates to the P/PD. If the final plans are consistent with the approved preliminary plans, the P/PD will review and approve the final plans without an additional plan check by the Design Review Committee or the Financing Committee. The actual grant amount will be contingent upon the cost estimates submitted with the final plans.

- Step 6: If improvements require building permits, applicants must submit final plans to the Building Department.

- Step 7: The building permit is submitted to the P/PD. If revised cost estimates are necessary, these should be submitted along with the building permit to the P/PD. Upon submission and approval of these documents, an approval letter indicating the estimated rebate is sent to the applicant. This letter requires the applicant to complete improvements within 180 days from the date of the letter and states that partial completion of the project will void all agreements. If the facade improvement is part of an overall larger rehabilitation, the maximum time requirement will be established accordingly, and documented in this letter. (All change orders must be approved by the P/PD.)

- Step 8: After completion of the work, the applicant's cancelled checks and bills, copies of the building permits, all contactor's waivers or liens, any necessary contractor documentation regarding Federal prevailing wage rates and a photograph of the storefront improvements should be sent to the P/PD. (NOTE: All information should be submitted together.)

- Step 9: P/PD staff examines the finished work for compliance with the general design recommendations and any approved change orders.

- Step 10: If the work is in compliance with the Guidelines, a rebate check is sent to the applicant within thirty (30) days of P/PD receipt of complete documentation.

NOTE: A separate application form must be completed for each building

FACADE REBATE PROGRAM APPLICATION FORM

Sacramento Housing & Redevelopment Agency Economic Development Unit 440-1355

CASE NUMBER: (for office use only) DATE:

- 1. Applicant Name:
2. Home Address: Number Street City/State/zip
3. Store Address: Number Street City/State/zip
4. Telephone Applicant can be reached at during day
5. Best time to contact applicant
6. Total Number of Storefronts:
7. Addresses of Individual Storefronts:
8. Store Name(s): Business Type:
9. Owner Name(s): Phone Number
10. Tenant Name(s)
11. Describe Proposed Facade Improvement(s):

(Use additional sheets if necessary)

The applicant, _____, has read the guidelines for the Facade Rebate Program and agrees to carry out the work in accordance with these guidelines. The applicant further agrees to comply with the design guidelines for the area and the specific design recommendations of the Design Review Committee/Agency staff. Any changes in the approved plans or specifications must be presented to the Agency for approval.

In addition, the applicant agrees to pay a \$35.00 non-refundable fee payable to the Sacramento Housing and Redevelopment Agency to cover administrative costs. This payment must be attached to this application along with a photograph of the facade of the storefront(s) before the improvements have been performed.

I further understand that I must submit detailed cost documentation, including cancelled checks, bills, copies of Building Permits, all contractor's waivers of lien, any necessary contractor documentation regarding Federal prevailing wage rates and a photograph of the storefront(s), upon completion of Facade Rebate Program improvements.

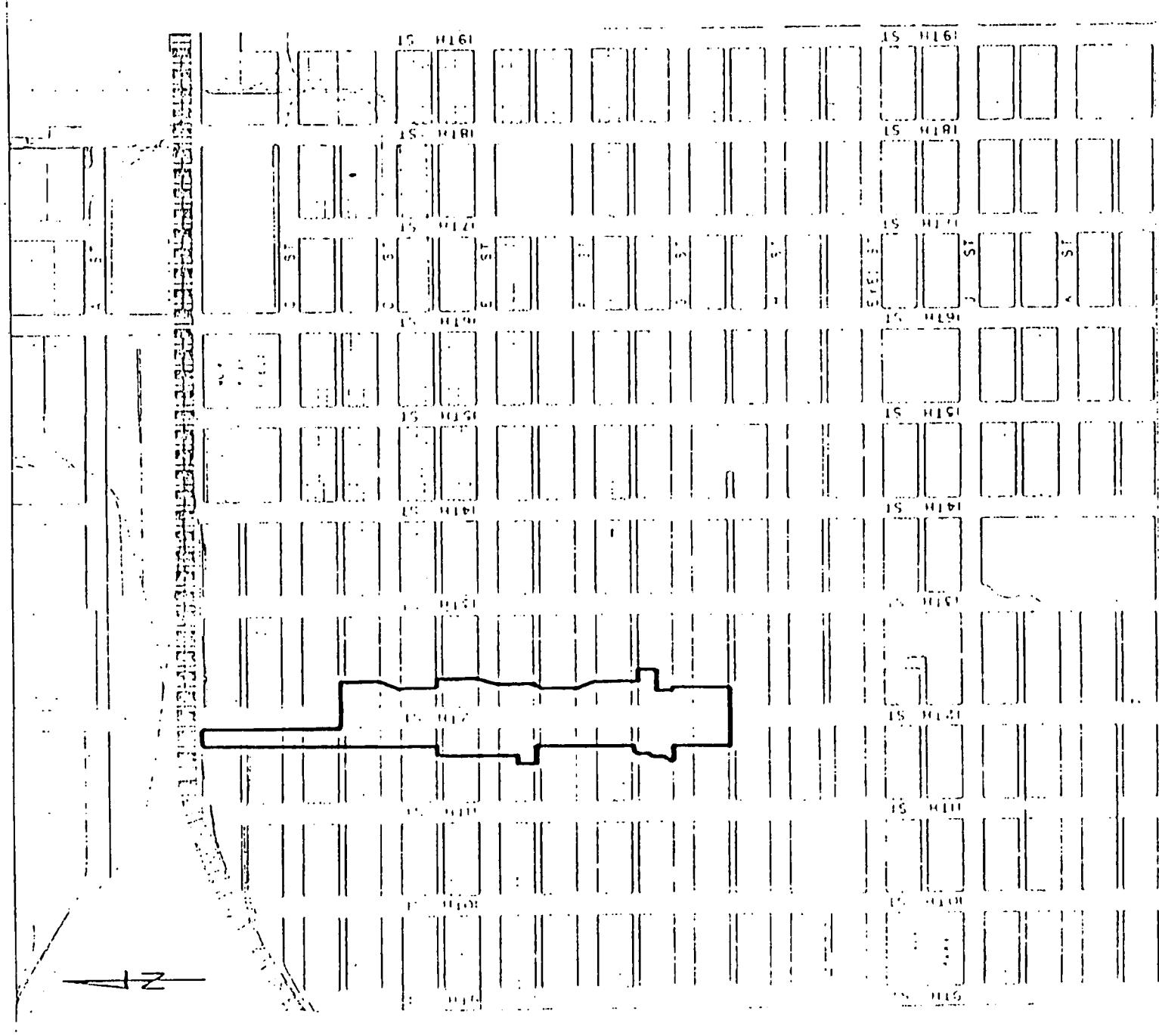
Signature: _____

Completed form should be mailed to:

Sacramento Housing and Redevelopment Agency
ATTENTION: Economic Development Program Manager
630 I Street, C-25
Sacramento, CA 95814

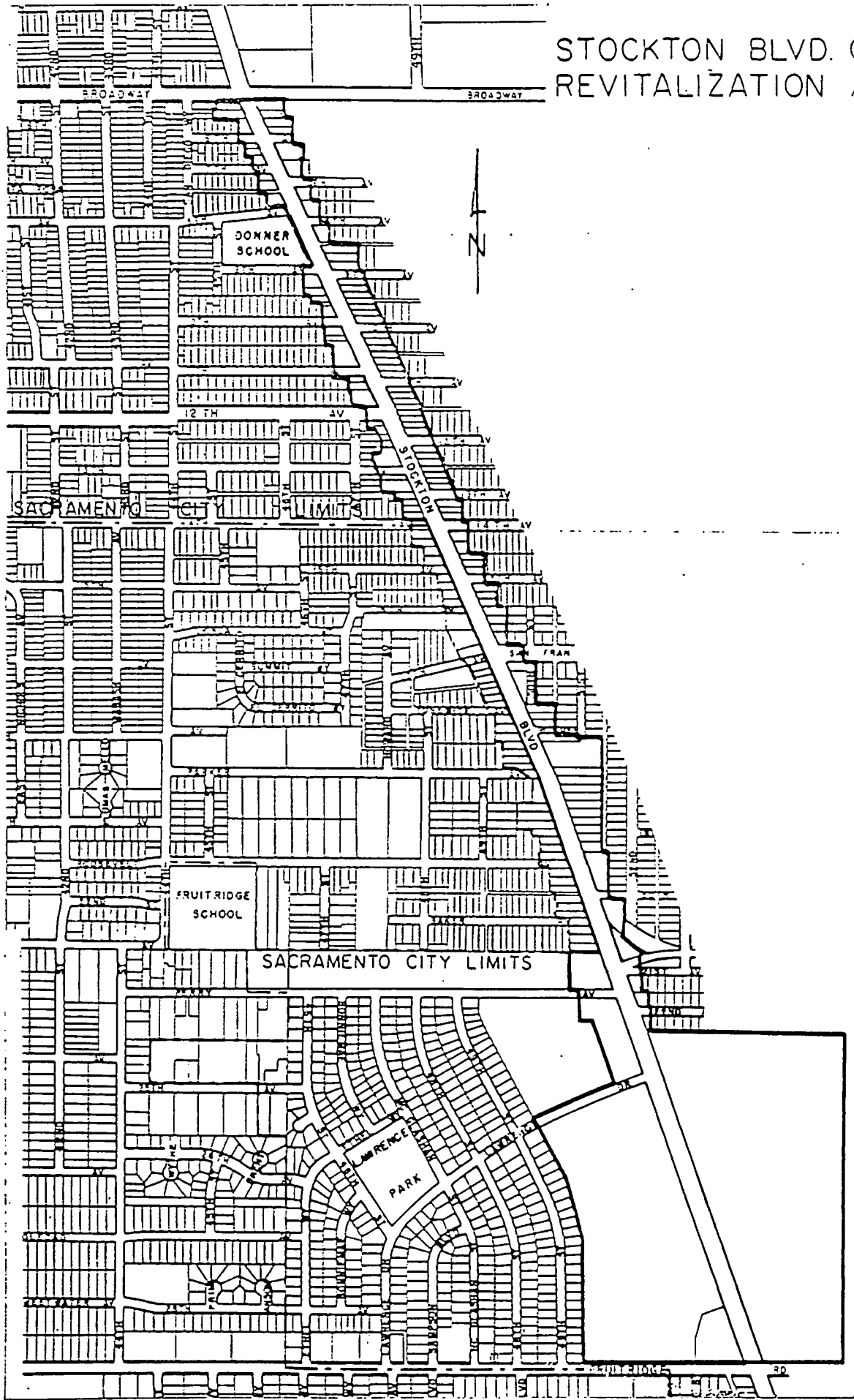
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12th STREET COMMERCIAL REVITALIZATION AREA

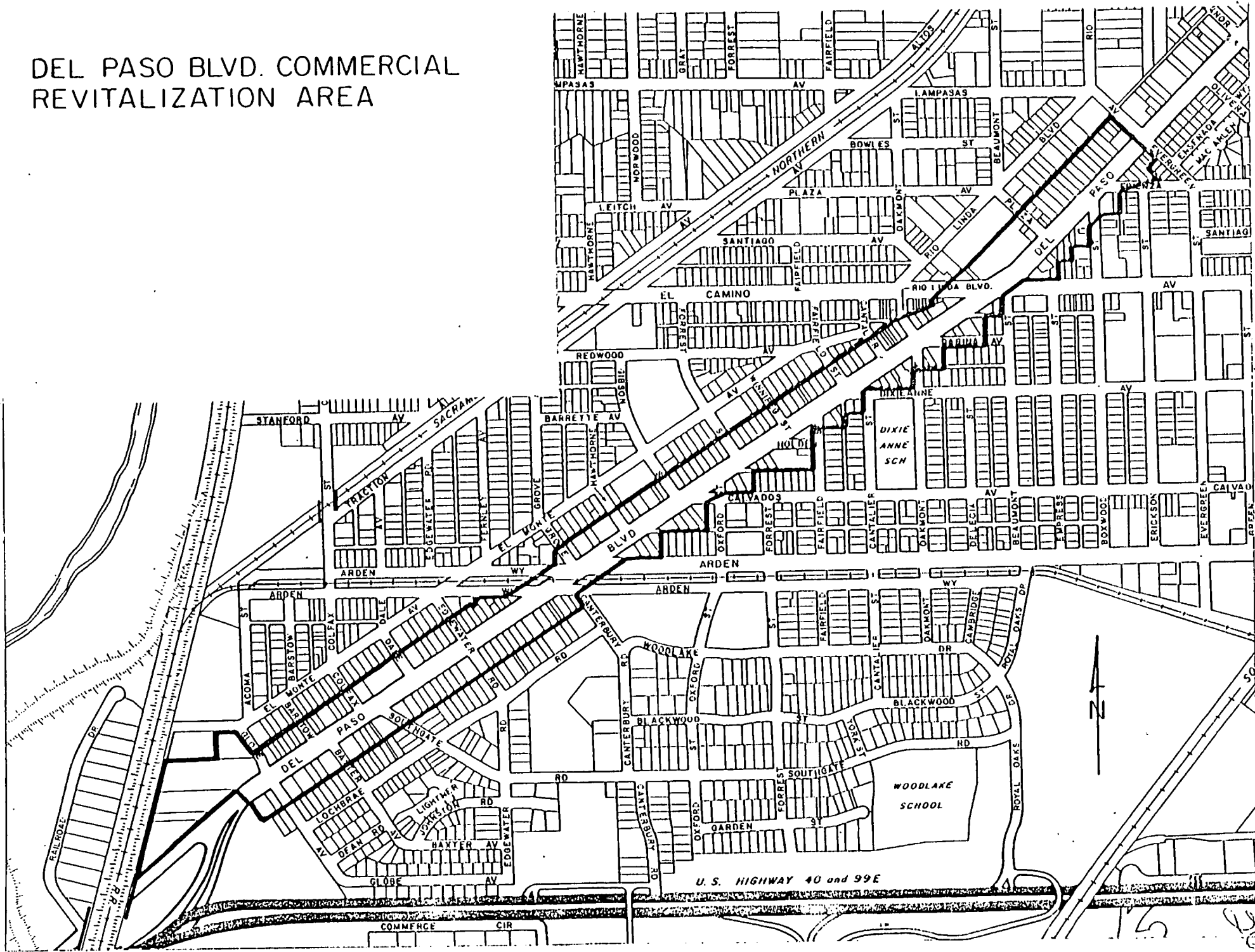


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STOCKTON BLVD. COMMERCIAL REVITALIZATION AREA



DEL PASO BLVD. COMMERCIAL REVITALIZATION AREA



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CITY ECONOMIC DEVELOPMENT
BUDGET STATUS AS OF
5/15/84

1984 Allocation	\$200,000.00
(\$50,000 currently available and an additional \$150,000 to be received after the end of May)	
+ Interest and Principal Payments	6,318.06
	\$206,318.06
<u>Commitments</u>	
Franklin Commercial Revitalization Coordinator Contract	18,750.00
Stockton Boulevard Commercial Revitali- zation Coordinator Contract (½ paid by County)	9,375.00
Fruitridge Development Corporation Contract (January - March 1984)	
\$5,552.39 Total	
<u>1,853.01</u> 1983 Balance	
\$3,699.38	3,699.38
Meadowview Market Study	10,000.00
Del Paso Commercial Revitalization Coordinator Contract (August - December 1984)	10,420.00
	\$ 52,244.38
Balance	\$154,073.68
Facade Rebate Program \$90,000	
Commercial Rehab Program <u>64,073.68</u>	
\$154,073.68 ¹	

¹
This budget does not reflect the proposed set aside of \$12,500 for
the Enterprise Zone Consultant