

**Balboa Village
Commercial Facade Improvement Program
May 2014**

Program Options

Tier 1

- Minor improvements such as painting, murals, lighting, anti-graffiti film coating, awnings, landscaping, window treatments, signs, exterior repair, architectural treatments, and other improvements to architectural features
- Allowed façade upgrades must be exterior improvements visible from primary streets
- Grants offered up to \$5,000 per tenant suite*
- 50 percent of grant money provided at project approval, with the remaining money reimbursed at completion of project after receipts have been submitted*
- Projects must be completed within 12 months of approval or Building permit issuance
- City permit fees waived

Tier 1 - Priority Block*

- Grants offered up to \$10,000 per tenant suite
- 100 percent of grant money provided at project approval, with any remaining balance reimbursed to the City at completion of project after receipts have been submitted
- Expedited plan check review where feasible

Tier 2

- Major improvements such as structural upgrades to the façade, which may include related minor improvements
- Allowed façade upgrades must be exterior improvements visible from primary streets
- Grants could be used for architectural or design service
- Grants offered for up to 50 percent of the project costs up to a maximum amount of \$50,000*
- 50 percent of grant money provided at project approval, with the remaining money reimbursed at completion of project after receipts have been submitted*
- Projects must be completed within 18 months of Building permit issuance
- City permit fees waived

Tier 2 - Priority Block*

- Grants offered for up to 75 percent of the project costs up to a maximum amount of \$50,000
- 100 percent of grant money provided at project approval, with any remaining balance reimbursed to the City at completion of project after receipts have been submitted
- Expedited plan check review where feasible

*See priority block information below.

Priority block

Balboa Boulevard is the priority block to be targeted for initial funding as a model block that will have the most impact upon completion. Improvements to this street will help spur other property owners to participate in the program after seeing the results from the model block. This is a priority block for the façade program, and will not preclude concurrent improvements to other areas recommended in the Master Plan and/or Urban Land Institute TAP Report.

For the first six months of Program implementation, all applications received for projects located on Balboa Boulevard will include the priority block elements in addition to or in lieu of the basic Tier 1 and Tier 2 components.

Costs and Funding

The costs of the program will be determined by the level of participation and types of projects awarded grants. Approximate figures are listed below. When the Program is reviewed by City Council, they will have the opportunity to set a maximum amount of funds to be allocated for the Program.

Costs

Balboa Village contains approximately 55 commercial buildings. Several of the buildings in the Village are in good condition and not all property owners/tenants will want to participate in the Program; therefore, this analysis uses an initial participation rate of 25 percent, which would provide substantial improvements to the area. Based on that percentage, it is anticipated that 14 buildings will participate in the program within the first few years. For the purposes of a cost estimate, the assumptions below indicate that nine buildings will be included in Tier 1 and five buildings will be included in Tier 2. The amount awarded will be based on project scope and building size. The figures below will be used as a guideline when determining the grant award amount for Tier 2.

Linear Feet of Façade	Maximum Grant
Up to 25'	\$ 15,000
25' to 50'	\$ 25,000
50' to 75'	\$ 37,000
75' or more	\$ 50,000

The cost estimate for Tier 1 is \$5,000 per tenant suite. With nine participants, the Tier 1 cost estimate is \$45,000. The cost estimate for Tier 2 is \$15,000-\$50,000 per building (\$1,000 to \$1,800 per linear foot). With five participants, the Tier 2 cost estimate is \$175,000. The Tier 1 and Tier 2 estimate total is \$220,000.

Additional costs will be incurred for implementation of the program, including outreach, technical assistance, and evaluation of the Program.

Funding

The amount of funds dedicated to the Program will be considered by the City Council. There is no guarantee of the amount of funds that will be appropriated during any given year. The Program could be funded through a combination of the Community Development Block Grant (CDBG) and the City's General Fund. CDBG funds are awarded to the City by the federal

government. The availability of CDBG funds is contingent on Program conformance to the CDBG National Objectives. The General Fund includes sales taxes, transient occupancy taxes, property taxes, motor vehicle license fees, etc., and can be used to fund economic development and capital programs.

Application Criteria and Additional Program Components

- a) All nonresidential properties within Balboa Village are eligible for the Program.
- b) Tenants may apply with property owner consent.
- c) Project applications will be reviewed by the Community Development Director.
- d) Grants will be awarded on a first come, first served basis.
- e) All project cost estimates will be reviewed by the Building Official.
- f) Receipts are required to be submitted at project completion.
- g) Properties are eligible for Tier 1 and Tier 2 grants once every ten years.
- h) Program funds are to be used for exterior building improvements rather than simple routine maintenance.
- i) Funds will not be awarded for removal of illegal improvements.
- j) Additional improvements that are deemed to be consistent with the intent of the Program will be reviewed and approved/disapproved on a case-by-case basis by the Community Development Director.
- k) Applications will not be accepted for improvements underway or already completed.
- l) All improvements shall conform to the City Building Codes, Zoning Ordinance, and applicable Design Guidelines.
- m) Any applicant must have a current business license, be in compliance with all municipal codes, and be free of any outstanding violations.
- n) In accordance with the California Labor Code (Sections 1770 et seq.), prevailing wages are required for all improvements completed through the Program. Participants in the Program are responsible for ensuring that the improvements are in compliance with the Public Works/Prevailing Wage Law.
- o) Property owners are responsible for upkeep and property maintenance. By accepting grant funds, the applicant commits to properly maintain all improvements and to keep storefronts, as well as sides and back of buildings, clean and free of graffiti for a minimum of five years at the applicant's own cost and expense.
- p) Continuation of the Program is subject to sufficient funding as appropriated by the City Council.
- q) The City reserves the right to cancel or modify this Program at any time prior to grant approval, without notice.

Next Steps

- 1) BVAC approval of Program
- 2) Obtain City Council approval and funding
- 3) Create application and guidelines
- 4) Provide enhanced outreach to property owners and tenants
- 5) Provide technical assistance for application
- 6) Administer Program
- 7) Evaluate Program annually