



City of San Leandro Business Incentives Commercial Rehabilitation Program



Commercial Façade Improvement Program Overview

The City of San Leandro (City) Commercial Façade Improvement Program is designed to make aesthetic improvements to existing commercial buildings within the City of San Leandro. The Commercial Façade Improvement Program serves to stimulate investment and improve the appearance of businesses in order to make commercial districts more attractive. The Program will provide incentives to enhance the appearance of local businesses by providing access to capital through forgivable loans. Participants in the program may either be property or business owners.

There are two different program types under the larger Commercial Façade Improvement Program umbrella: the Commercial Rehabilitation (CR) Program, which provides a matching forgivable loan of up to \$50,000; and, the Awning, Sign and Paint (ASAP) Program, for smaller projects, which provides a matching forgivable loan of up to \$10,000.

Commercial Rehabilitation Program Overview

The City's CR Program was created in 2001. The Program offers up to \$50,000 in matching funds to encourage renovation projects that improve the appearance of businesses and properties in the City. For approved projects, the City will contribute up to half the total project cost, to a maximum participation of \$50,000, as a 10 year forgivable loan secured through an Owner Participation Agreement and a Deed of Trust. The funds can be used for any improvements consistent with the Zoning Code, and other applicable city, state, and federal regulations.

Evaluation Criteria

Applications to the CR Program will be evaluated and ranked by the following five criteria: location, contribution to the other positive actions in the immediate area, building/site utilization, entrepreneurial business activity, and design. These criteria are explained further on the back of the CR Program application. Projects will be accepted on a "first come, first serve" basis; however, priority will be given to those projects that meet the greatest number of the criteria. Based on demand, the City may specify a certain time period during which applications are received and evaluated.

Application and Intake Process

Upon receipt of a complete application, staff will perform a preliminary project evaluation. During this process the participant may be asked to meet with staff to answer questions and provide additional information. Once a project is selected to receive CRP funding, the applicant will be required to enter into a Reimbursement and Maintenance Agreement.

Eligibility

Applicants must own the commercial property to be improved, be tenants of the commercial property or hold a master lease for the commercial property. The property must be located within the City of San Leandro.

Tenants must include a copy of the lease agreement and an affidavit from the property owner allowing them to make the proposed building and site modifications. The tenant will be required to verify that they have at least a five-year lease on the property. If the tenant has less than a five-year lease, the property owner is required to co-sign the Reimbursement and Maintenance Agreement.

Financing

Loans are designed to reimburse the participant for completed improvements. The City shall reimburse the Applicant for the agreed upon list of improvements upon written request specifying the amount and providing copies of bills and invoices for the completed work. Completion of the approved work will be verified through the City. The Participant shall submit requests for disbursement of funds to the City not more than twice during the term of the Reimbursement and Maintenance Agreement.

Loans are structured as an interest bearing, forgivable five year loan. The Project is evaluated annually by City staff to determine if it continues to meet the terms of the Agreement. If no default occurs within the five year term of the Agreement, the loan is forgiven. If a default occurs as defined in the Agreement, the loan becomes due and payable immediately. City staff has the discretion to work with the Participant to cure the default and structure a repayment schedule.

Upon notice of a change in ownership during the term of the Agreement, the loan may be assigned to the new participant at the sole discretion of City staff.

Maintenance and Participation Requirements: Upon notice of a change in ownership during the term of the Agreement, the loan may be assigned to the new participant at the sole discretion of City staff.

Prevailing Wage: To the extent applicable to the project, all contractors and agents hired by the Participant shall comply with California Labor Code Section 1720 *et seq.* (“Prevailing Wage Laws”) and shall be responsible for carrying out the requirements of the law. Participants in the ICG Program are solely responsible for determining whether Prevailing Wage Laws apply to the project.

For more information, contact Katie Bowman in the City of San Leandro’s Economic Development Division at (510) 577-3327 or kbowman@sanleandro.org.



City of San Leandro

Commercial Rehabilitation Program

Applicant/Business Name (Borrower): _____

Property Owner Name: _____

Site Address: _____ San Leandro, CA 94577

Mailing Address (if different): _____

APN #: _____ **Daytime Phone:** _____

E-mail: _____ **Business Tax ID#:** _____

Description of project; please see attached evaluation criteria on back of application (attach additional sheet if necessary):

Estimated total project cost: _____

Requested City loan amount*: _____

** Cannot exceed half of exterior improvement's total cost*

Applicant Statement: I have read this application and I understand the program guidelines.

Borrower Signature: _____ **Date:** _____

Print Borrower Name: _____

Property owner signature: _____ **Date:** _____

(If applicant is a business tenant, the property owner must sign to authorize the application)

Print Owner Name: _____

Please attach the following before submitting application:

- An itemized Contractor's cost estimate of all desired exterior/facade improvements
- A property insurance certificate
- Site photo(s)
- Drawing/ sketches of improvements
- Paint color samples if applicable

Return complete applications to the Economic Development Division, City Hall, 835 E. 14th Street, San Leandro, CA 94577. Call 510-577-3327 with any questions about completing the application or the program in general. Good luck with your project!

Evaluation Criteria

The following criteria will be used to rank, evaluate and select project applications for loans through the ASAP Program. Projects will be accepted on a “first come, first serve” basis; however, priority will be given to those projects that meet the greatest number of the criteria.

Location:

Is the project located where it is highly visible and where it will be a sign of positive change within a particular business district? Examples of high profile locations are major intersections where the building or storefront has high visibility along the block.

Contribution to Other Positive Actions in the Immediate Area:

Are there other signs of positive change in the immediate area of the building or storefront that will be reinforced by the project? Examples of these criteria are projects that reinforce other, independent actions to create positive change such as new or remodeled building, a new business, or any other projects which may have attracted the attention and interest of people in the area.

Building/Site Utilization:

Does the existing building represent a reasonable utilization of the development potential of the site? The intent of this criterion is to direct facade and tenant improvement projects to buildings that are of a more substantial nature or that do not preclude more intensive new development in the near future.

Entrepreneurial Business Activity:

Is the business innovative or creative? Does it have either the potential to attract new business energy or set a new direction for the particular business district? Examples include start-up businesses that offer new specialty items or marketing approaches such as new lines of designer clothing, sit down restaurants, open air food sales, etc.

Design:

Are improvements of a high quality? Do they compliment the architectural character of the building and neighborhood? Do the improvements use quality materials and create a “made to last” feel? Design assistance may be available through the City.