Meeting Date: 03/18/08

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	■ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Suzanne Quitoriano, Redevelopment Project Manager SQ Agenda Item No. 0-3

Reviewed By: City Manager City Attorney AH Finance SW Other N/A

DATE: February 28, 2008

TO: Community Development Commission

FROM: Curtis P. Cannon, Community Development Director Brian D. Pendleton (for)
Community Development Department

SUBJECT: **2008 Historic Enhancement and Revitalization of Oxnard ("HERO") Façade and Paint Improvement Program**

RECOMMENDATION

That the Community Development Commission ("CDC") approve the 2008 HERO Façade and Paint Improvement Program ("Program") and authorize the Community Development Director ("Director") to execute Program agreements and related documents with approved applicants to implement the Program.

DISCUSSION

The Program is intended to provide financial assistance to commercial businesses in the HERO Redevelopment Project Area for exterior physical improvements to help revitalize and strengthen the economic base of the project area. In addition to providing financial assistance for physical improvements to buildings, the Program will also include architectural services (if needed, based upon scope of work) to assist applicants with designing the improvements and provide project oversight. In summary, the Program is designed to:

- Achieve a more attractive commercial office/retail environment.
- Encourage a strong commercial core through building improvements.
- Encourage continued HERO Project Area revitalization efforts by leveraging public funding with private investment.

Background

HERO's Five Year Implementation Plan approved by the CDC on December 14, 2004 identified 136 parcels within HERO as impaired investments. Remediation goals and objectives include elimination and prevention of the spread of blight, strengthening the economic base of the area, promoting private sector investment, providing economic growth and increased sales tax, creation of local job opportunities and preservation of existing employment base.

During 2006, the City Council and CDC approved the 2006 Downtown Façade and Paint Improvement Program. Downtown's program is intended to provide financial assistance to commercial businesses in the Central Business District (CBD) for exterior physical improvements to help revitalize and strengthen the economic base of Downtown Oxnard.

The Community Development Department established performance measures in its two-year budget for the development and implementation of a façade program for the HERO Project Area during FY 2007-08 and FY 2008-09. At that time, the CDC appropriated $1,020,000 to the HERO Business Façade Improvement fund. The funding is to be used to create a business facade improvement program for HERO Project Area properties on the major project area arteries of Oxnard Boulevard, Vineyard Avenue, Saviers Road, Fifth Street, "C" Street, Wooley Road, Channel Islands Boulevard, Bard Road and Pleasant Valley Road. The purpose of the Program will be to assist property owners or merchants in upgrading their buildings to create an attractive commercial office/retail environment.

More recently, as part of planning for the Program, CDC staff has identified three Target Areas (see Attachment 1 – 2008 HERO Façade Program Map). CDC staff has identified a need among small businesses and commercial property owners in the Target Areas for financial assistance to help improve their properties and businesses. For some, signage and paint may be all that is needed to give the building a fresh look, while others may benefit from more extensive façade improvements.

Program Elements

The Program will consist of two separate tiers with a maximum combined forgivable loan of $60,000. Tier No. 1 is a forgivable loan of up to $10,000 that will require the applicant to pay only the permit fees associated with the planned paint, signage and awning improvements; architectural fees of up to $1,000 will be available to the applicant on an as-needed basis. Tier No. 2 is a forgivable loan of up to $50,000 and will require a dollar-for-dollar match from the applicant; architectural fees of up to $5,000 will be available to the applicant. To ensure maximum program effectiveness and impact, the intent of the Program is to limit the total amount of funding to $60,000 per project.

The Tier funding amounts shall be used as guidelines in establishing a project budget, however the CDC at its sole discretion shall make the final determination of the projects' actual funding amounts and eligibility. Similar to Downtown's Facade Program, the amount of funds awarded will be in the form of a five-year loan, which is forgivable if the applicant fulfills the terms of the CDC agreement. The Program boundaries will include commercial properties with the following three areas:

1) South Oxnard - Saviers Road south of Wooley Road to Pleasant Valley Road; East Bard Road, and; West Wooley Road between South "G" Street and South "I" Street;

2) Downtown – Properties that front on "C" Street between Wooley Road and Fifth Street; "A" Street and Oxnard Boulevard between Second Street and Robert Avenue;

3) Freeway Corridor – North side of Vineyard Avenue between Oxnard Boulevard and Rio School Lane, and; Ventura Boulevard between Rose Avenue and Cortez Street.

Eligible buildings must be located within the areas described above, and the façade improvements must be visible from public areas (such as streets, breezeways between buildings, paseos, or public parking lots). Excluded from the Program Target Areas are such properties within HERO that are zoned residential and/or are occupied by a residential use, new developments, auto dealership sites, and areas of low priority (i.e. sites lacking physical blight and/or that are not located on major arterials or corridors).

Eligible projects include aesthetic, safety, handicap accessibility, and graffiti abatement improvements. Examples include new paint and signage, awnings, lighting, storefront window systems, entryways, landscaping, and window film application to reduce the cost of graffiti abatement on windows. Special efforts will be made to integrate the recommendations for creating "natural surveillance" opportunities as discussed in the *Crime Prevention Through Environmental Design Review and Vulnerability Assessment for the Oxnard Downtown Core*, completed November 2004 by Gage-Babcock & Associates.

Eligible applicants include property owners or tenants with the approval of the property owner. In addition, applicants must be current on their property tax payments, have a current business license, and be in compliance with applicable zoning requirements. Grantees participating in Tier No. 1 of the Program may also participate in Tier No. 2. Tier No. 2 applicants must provide evidence of matching funds. Grantees may apply for another façade improvement grant five years after the completion of their original project. Such future applications are subject to Program and funding availability.

Program Management

Five areas are critical to successful administration of the Program. They are project application review, contractor bidding, architectural services, labor compliance monitoring, and project management. The specific activities associated with each component are included in the *2008 HERO Facade Program Specifications* (Attachment No. 2).

Similar to Downtown's Façade and Paint Improvement Program, a committee will be established to ensure program effectiveness. The Committee shall consist of representatives from the Community Development Department, Planning and Environmental Services Division, Development Services Division, and Oxnard Downtown Management District.

Outreach and Marketing

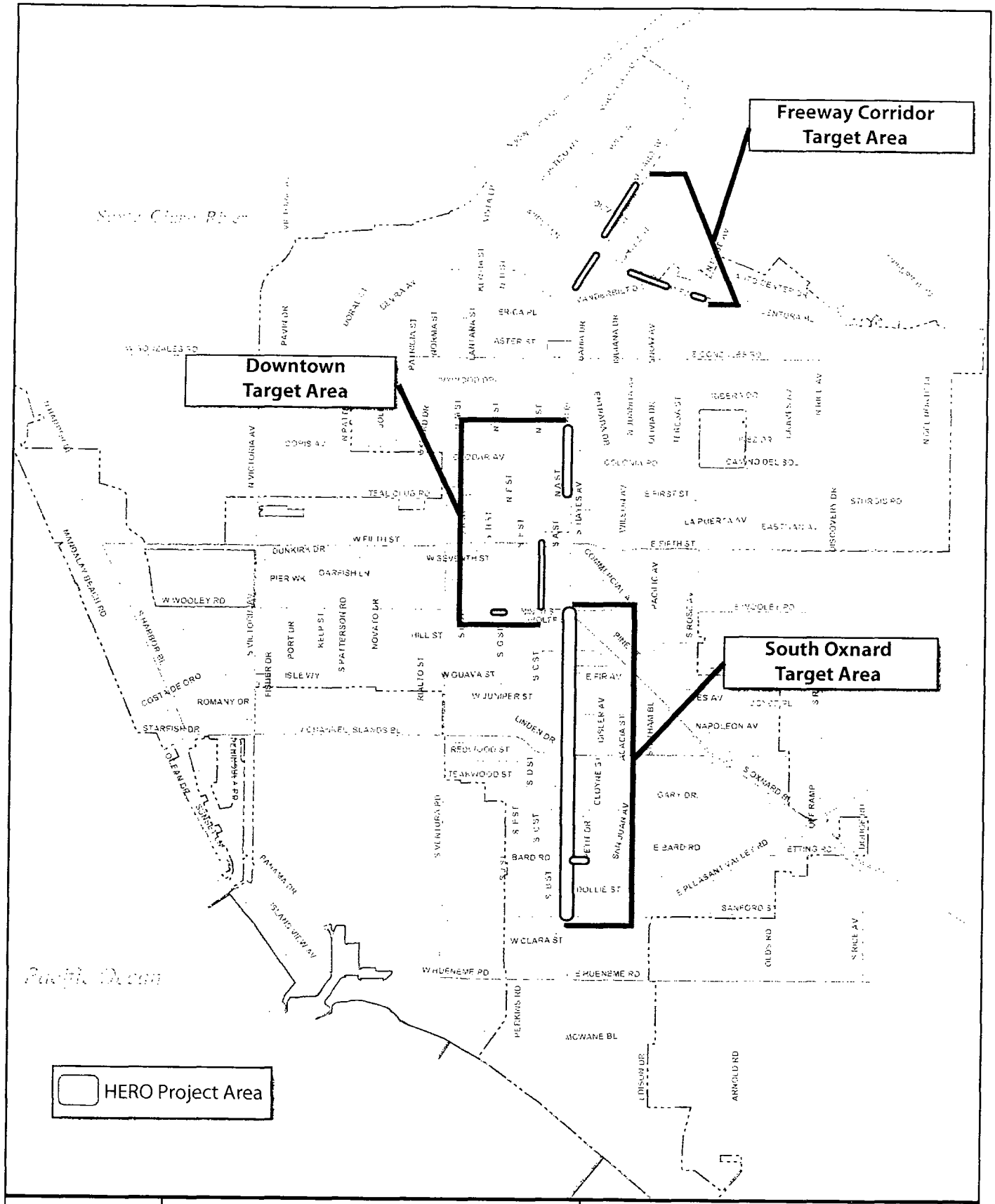
If the Program is implemented, an initial call for projects will be made in June 2008. This call for projects will occur through direct mailings and interaction with property owners and tenants within the Target Areas. Staff will meet on-site with owners and tenants of properties that demonstrate the need for exterior physical improvements. Additional outreach methods will include the City's web page, the CDC's retail web page "www.oxnardretail.com," quarterly newsletters for the CDC, the Oxnard Downtown Management District, the Downtown Merchants Association, and direct mailings and contact with the commercial real estate brokerage community. These collective efforts will need to be ongoing to be most effective. The Committee will hold combined training sessions for interested architects, contractors, and installers who, upon completing the training and possessing all required licenses and insurance will be eligible to participate in this Program as well as the Downtown Façade and Paint Improvement Program.

FINANCIAL IMPACT

There are sufficient funds to initiate the Program. Funds in the amount of $500,000 were previously appropriated to the HERO Business Façade Improvement Program (Project 088701) as part of the City's overall budget approval process. $500,000 was appropriated for FY 2007-2008. The remaining $520,000 will be requested for FY 2008-2009.

SQ

Attachment 1 – 2008 HERO Façade and Paint Improvement Program Map
2 – 2008 HERO Façade and Paint Improvement Program Specifications



Oxnard Planning
March 1, 2008

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HERO
Target Areas

2008 Historic Enhancement (HERO) Façade and Paint Improvement Program

Program Specifications

I. Program Elements

A. To ensure maximum program effectiveness and impact, the intent of the Program is to limit the total amount of funding to $60,000 per project. The Tier funding amounts shall be used as guidelines in establishing a project budget, however the CDC at its sole discretion shall make the final determination of the projects' actual funding amounts and eligibility. If the applicant fulfills obligations as detailed in the property maintenance agreement, the loan is forgiven after five years. The Program boundaries include commercial properties within the following Target Areas:

1. South Oxnard - Saviers Road south of Wooley Road to Pleasant Valley Road; East Bard Road, and; West Wooley Road between South "G" Street and South "I" Street;
2. Downtown – "C" Street between Wooley Road and Fifth Street; "A" Street and Oxnard Boulevard between Second Street and Robert Avenue;
3. Freeway Corridor – Oxnard Boulevard between Craig Street and Vineyard; Vineyard Avenue between Oxnard Boulevard and the 101 freeway; Vineyard Avenue between Myrtle and Rio School Lane, and; Ventura Boulevard between Rose Avenue and Cortez Street.

B. Visibility: Improvements must be visible from a public area (e.g. facades visible from front, rear, or abutting an open space such as a breezeway or public parking lot).

C. Tier No.1 Projects:

1. Up to $10,000 forgivable loan (Owner contribution: permit fees)
2. Architectural fee of up to $1,000, available on an as-needed basis
3. Eligible projects:
   a. Exterior painting
   b. Sign removal, repair, and replacement
   c. Awnings

D. Tier No. 2 projects:
   1. Up to $50,000 forgivable loan (Owner contribution: 50/50 match)
   2. Architectural fee of up to $5,000 available
   3. Eligible projects:
      a. Awnings
      b. Balconies
      c. Building identification
      d. Decorative detail
      e. Decorative treatments
      f. Door replacement
      g. Entrances
      h. Exterior painting
      i. Exterior building cleaning if necessary as preparation for other improvements
      j. Handicap accessibility improvements
      k. Improvements to all building exterior façades (subject to visibility requirements)
      l. Landscaping
      m. Lighting
      n. Masonry repair
      o. Porches
      p. Repairing/replacing cornices
      q. Sign removal, repair, replacement
      r. Storefront window systems
      s. Window film (anti-graffiti)
      t. Window treatments

   4. Applicant
      a. Applicant or property owner must be current on payment of property taxes and City fees, including business licensing, and business must be clear of code violations.
      b. Tier No. 2 applicants must provide evidence of matching funds (such as copy of Certificate of Deposit, checking or savings account) prior to commencement of construction.
      c. Applicants participating in Tier No. 1 may also participate in Tier No 2.
      d. Applicants awarded funding may apply for another façade improvement project five years after the completion of a previous project. (Subject to Program and funding availability.)
      e. Tenant must have property owner's approval, if tenant is applicant.

II. Application and Project Process

   1. Applicant submits an application to CDC.

2. Applicant meets with CDC/City staff and architect (meeting with architect only if required, based upon scope of work) to discuss project goals, design issues, project scope, and budget.

3. Applicant consults with architect (if required) twice to refine project scope and design. Additional meetings with the architect will be at the applicant's expense.

4. With applicant approval, architect (if required) prepares and submits scaled drawings (building elevations) of the proposed improvements along with an estimated budget to CDC. Submittal should include one full size drawing and five reduced size (maximum size – 11x17).

5. Committee reviews design and budget estimate and makes recommendation to Community Development Director.

6. Project is conditionally approved for Program funding.

7. Applicant submits project to Planning Division and Development Services Division.

8. Project is approved by Planning Division and Development Services Division.

9. Applicant submits contractor bid(s) to CDC.

10. Applicant provides evidence of funds to CDC to match Tier No. 2 forgivable loan, if applicable.

11. CDC executes Program agreement, which will qualify a project to begin construction.

12. Signage for "City of Oxnard Façade and Paint Improvement Program" (with applicable funding sources identified) is to be displayed during construction and for 30 days after project completion.

13. Architect signs-off on construction progress and payments are made to contractor and other vendors.

14. Project is completed.

15. Notice of completion is filed.

16. Final payment and 10 percent retention payment is made.

III. Program Management

A. Contractor Bidding

1. Applicants may obtain a contractor list from CDC/City staff to obtain bids. A minimum of two bids must be obtained. Applicant must select a contractor with a reasonable bid consistent with prevailing wage requirements.
   a. For a contractor to be placed on the CDC contractor's list it must have a valid state contractor's license consistent with the work to be performed, appropriate insurance, a City of Oxnard Business License, and have completed the City training course for the Program

2. Applicants may choose a contractor not on the CDC contractor's list, however, CDC/City staff will have to review the aforementioned requirements and require the contractor to complete the training course for the Program. This may add additional time to the project.

B. Architectural Services

1. Applicants are assigned an approved architect by CDC/City staff, if needed based upon the scope of work. Architect's proposal must be consistent with Program guidelines and contain a reasonable cost proposal.
   a. For an architect to be placed on the CDC architect's list, they must have a valid state architect's license, appropriate insurance, a City of Oxnard Business License, and have completed the City training course for the Program.

2. Applicants may choose an architect not on the CDC architect's list, however, CDC/City staff will have to review the aforementioned requirements and require the architect to complete the training course for the Program. This may add additional time to the project.

C. Labor Compliance

1. Prevailing wages will apply to the Program.

D. Project Maintenance Agreement

1. The project maintenance agreement will detail the relationship and respective obligations of the CDC and the applicant. The business or property owner is obligated to maintain the property and facade improvements. If the property is properly maintained and is not damaged, sold, or vacated during the five-year life of the agreement, the loan will be forgiven.

a. Tier No. 1: A Promissory Note (five-year agreement) will be written. At the end of each of the five years, the loan will be forgiven if the terms of the note are met.
b. Tier No. 2: A Deed of Trust (five-year agreement) will be recorded. At the end of each of the five years, the loan will be forgiven if the terms of the agreement are met.

IV. Application Packet
- A. Cover Letter
- B. Application Check-list
- C. Application Form
- D. Evidence of Funds
- E. Sample Project Maintenance Agreement
- F. Zoning Ordinance

V. Façade Improvement Committee Membership

Department/Organization	Representative
Community Development Department	Brian Pendleton Suzanne Quitoriano
Planning and Environmental Services Division	Ashley Golden
Development Services Division	Jeff Pengilley
Oxnard Downtown Management District	Lorena Pintor