

Lompoc Redevelopment Agency Commercial Façade Improvement Program Program Description

I. Statement of Purpose

The Commercial Façade Improvement Program is an endeavor of the Lompoc Redevelopment Agency to enhance the physical appearance and economic vitality of businesses in the Redevelopment Area. The program offers low interest façade improvement loans as well as grants to defray cost for permits and architectural design. In return, the Lompoc Redevelopment Agency requires an agreement to maintain Agency sponsored improvements. This program assists in the implementation of the Old Town Lompoc Specific Plan, as well as the Amended and Restated Redevelopment Plan for the Old Town Lompoc Redevelopment Project, and directly serves to remove conditions of blight as documented in those plans.

II. Program Components

A. Permit, Fees and Architectural Design Reimbursement Grants:

A portion of permit fees and architectural design cost for exterior commercial building façade improvements are eligible for reimbursement through grant assistance. The Lompoc Redevelopment Agency will reimburse 50% of City of Lompoc permit fees and 50% of architectural design costs (up to a maximum reimbursement of \$1,000 for each).

All architectural plans shall be submitted to the Lompoc Redevelopment Agency, in addition to the City of Lompoc. Façade treatments for all properties zoned Old Town Commercial shall be consistent with the Old Town Lompoc Specific Plan. The Lompoc Redevelopment Agency and the applicant will enter into a Memorandum of Understanding for reimbursement of grant funds if the project does not proceed within 120 days after issuance of a Notice of to Proceed.

Loan costs charged by the Lompoc Redevelopment Agency associated with the Façade Improvement Program are an allowable charge against the Permit Fee reimbursement. These costs are estimated as: Title Insurance, \$100; Environmental Processing, \$50 (historical building environmental processing fees may be higher due to additional staff time); Processing Fee, \$25; Credit Report, \$25.

B. Façade Improvement Loan Program:

This program provides loans up to \$30,000 for an individual commercial unit; attached commercial units are eligible for loans up to \$15,000 per unit, to a maximum total of \$75,000. Loan proceeds are to be used for labor and materials directly related to the façade construction. Tools may not be purchased with loan funds, but tool rental is allowable. The applicant may elect an interest-free loan with a five-year term or may amortize the loan over 10 years at 5% interest per annum. A promissory note, loan agreement, and all other required loan documents

will be executed between the Lompoc Redevelopment Agency and the applicant property owner or tenant and property owner. When security is required to secure the façade loan proceeds, a Deed of Trust will be recorded against the property.

Loan proceeds will be disbursed as invoices are submitted and approved by Agency staff. All payment requests will be paid directly to the contractor within 10 working days after submittal. Direct reimbursement to the applicant is available *only* with the submittal of a paid receipt. Construction shall be completed within 120 days after the Notice to Proceed. If the project extends beyond the scheduled completion date, prior staff approval is required.

A Covenant will be recorded on the property receiving façade improvement requiring the property owner to maintain the project property in a manner satisfactory to the Agency. If the property owner fails to maintain the project property, the Agency shall give the owner written notice of default and may take appropriate legal steps to gain compliance with the covenant. Project properties will be subject to the covenant for ten years (for loans with five-year terms) or for twenty years (for loans with ten-year terms).

This program is primarily geared toward commercial property owners. However; business owners who have long-term leases (five or more years) wishing to participate in the Façade Improvement Program may also apply. Applications for these tenants will be reviewed on a case-by-case basis.

III. Eligibility

A. Eligible Applicants/Areas

Owners/tenants of commercially zoned or legal nonconforming commercial property located within the Lompoc Redevelopment Area are eligible to apply for assistance under the following circumstances:

- 1) Priority consideration will be given to business and property owners located in the 100 blocks of north and south “H” Street and the 100 blocks of east and west Ocean Avenue.
- 2) If the project consists of attached commercial units in a shopping center, the façade must include all units in the attached building.
- 3) Funds for the Façade Improvement Loan Program are available on a first come, first serve basis. If funds are exhausted at the time of application submittal, Agency staff will retain the application for the next funding cycle. When loan funds become available, Agency staff will contact applicants, in the order applications were received with priority consideration continuing for properties in the 100 blocks of H Street & Ocean Avenue.
- 4) Property Owners of the façade property will be required to provide verification of mortgage to ensure that the loan to value of the property does not exceed 85%. Agency may record a deed of trust on the project property, not to exceed third position. The fair market value of the property will be determined either from an appraisal (performed within one year of application date) or from comparisons to similar property.

B. Eligible Types of Improvements

Eligible Improvements include but are not limited to:

- Removal of old signs, awnings, and other exterior clutter
- Exterior cleaning and painting (including the use of graphics to create the illusion of façade forms)
- Application of new exterior plaster (including the use of plaster to create new façade forms)
- Installation of new entry doors with handicapped access
- Installation of display windows and window treatments
- Installation of new canvas awnings over windows and entries
- Installation of new signage
- Installation of new exterior lighting
- Application of ceramic tile on exterior walls and entries
- Installation of permanent landscaping
- Installation of pavers in doorways
- Resurfacing/restriping of existing parking lots

Additional improvements will be reviewed and approved/disapproved on a case-by-case basis.

IV. Implementation of Work

Labor costs are subject to review and approval by staff. Projects in excess of \$1,000.00 will impose prevailing wage requirements found in the California Labor Code (see attached Prevailing Wage Disclosure).

Improvements requiring the disturbance of painted surfaces may require lead-based paint testing.

All improvements shall conform to the City of Lompoc Building Codes, Zoning Ordinance, Architectural Review Guidelines, and the Old Town Lompoc Specific Plan. Applicants' proposals are subject to design review by the Redevelopment Agency and the City of Lompoc Planning Division. Extensive façade remodels may require Planning Commission review, at the discretion of the City Planner. Project improvements commenced prior to Agency approval are not eligible for this Program.

Agency staff will be available to work with applicants to assist in the coordination of the project. Agency staff will carry out periodic inspections.