



PROGRAM GUIDELINES  
(September 25, 2007)

## FOCUS ON DOWNTOWN, A FACADE IMPROVEMENT PROGRAM

“Focus on Downtown, A Facade Improvement Program” [Program] was created by the Redevelopment Agency of the City of San Diego [Agency] and the Centre City Development Corporation [CCDC] as part of an overall redevelopment program to improve the quality of life in the downtown area of the City of San Diego, State of California, within the Centre City and Horton Plaza Redevelopment Project Areas. The Program is designed to assist property and business owners [Participants] with rehabilitating the commercial facades of their properties for the purpose of creating a positive visual impact, stimulating private investment, and complementing other community revitalization efforts [Projects]. Participants are eligible to receive a rebate in the form of a loan, forgivable over a five (5) year period, for rehabilitation purposes upon the completion of their Project. In addition, Participants are eligible for up to ten (10) hours of design assistance/architectural services at no charge to help with planning their Projects. The Program is managed and administered by CCDC on behalf of the Agency and operates in coordination with the City of San Diego’s Storefront Improvement Program [SIP] which is administered by the City’s Office of Small Business.

These Program Guidelines represent the intent of the Agency and CCDC in implementing a commercial façade improvement loan program within the downtown area of the City of San Diego. These Program Guidelines may be amended from time to time by the Agency’s Executive Director or his/her designee in order to accommodate new or changing laws or policies and procedures of the Agency applicable to the Program. Please contact CCDC for the most current Program Guidelines.

### 1. ELIGIBILITY CRITERIA

#### (A) ELIGIBLE PARTICIPANTS

Property owners and tenants, who own properties and/or businesses with ground floor storefronts in downtown San Diego, are eligible to apply for the Program. A business owner who is leasing space must have a current lease with a minimum of three (3) years remaining

from the date of application or provide evidence that the business has been operating in downtown San Diego for over five (5) years and obtain the written approval from the property owner to participate in the Program and proceed with the improvements, and for the recordation against the subject property the Program Agreement, or a Memorandum of the Program Agreement, in the records of the County Recorder for San Diego County. All applicants must possess a valid City of San Diego Business Tax Certificate.

## **(B) ELIGIBLE PROJECTS**

Properties must be located within the boundaries of the Centre City and Horton Plaza Redevelopment Project Areas [Project Areas], as depicted on the map attached hereto as Exhibit "A" and incorporated herein by this reference. CCDC will review the applications and select Projects that would provide a public benefit to downtown residents and businesses. CCDC will consider the following factors in determining the Project's eligibility:

- Need for improvements - Substandard condition of the building/façade
- Potential revitalization effects in the community
- Consistency with the goals of CCDC, the Redevelopment Plans for the Project Areas, and the Downtown Community Plan

The following types of projects are specifically excluded from the Program:

- New construction
- National franchises
- Properties owned or occupied by the Government or other public agency
- Properties used entirely for residential purposes
- Large office buildings in excess of 80,000 square feet
- Churches and other religious institutions

**Properties that have received rebates from the City's Storefront Improvement Program or CCDC's Focus on Downtown, A Façade Improvement Program are not eligible to participate in the program for a period of five (5) years from the date of receipt of the last rebate.**

## **(C) ELIGIBLE IMPROVEMENTS**

Improvements that contribute to the visual enhancement of the property as viewed from the public right-of-way would be eligible. Improvements must be comprehensive, incorporating enhancements/additions to several components of the existing façade. Examples of eligible improvements include painting, lighting, windows, doors, stucco, tile, signage, canopies, awnings and restoration of historic properties.

**Ineligible improvements** include roofs, non-permanent fixtures, security systems, personal property, interior window coverings, equipment, any improvements not visible from the public right-of-way, and any improvements deemed to be inconsistent with redevelopment purposes and objectives.

## 2. PROGRAM BENEFITS

### (A) DESIGN ASSISTANCE

Participants may receive up to ten (10) hours of design assistance/architectural services at no charge. Program architects and designers are under contract with CCDC to provide design assistance/architectural services, and will be assigned to a Project upon request by a Participant. Design assistance/architectural services in excess of ten (10) hours will be charged to the Participant at the contract rates charged to CCDC.

Design assistance through this Program is separate and independent from the review and recommendations that may be required for historical resources by the City of San Diego Historical Resources Board or its design assistance subcommittee.

### (B) REBATE – LOAN FORGIVABLE OVER FIVE (5) YEARS

The Program provides Participants the opportunity to receive a rebate up to the maximum allowable amounts set forth below, in the form of a loan, forgivable over a five (5) year period as described below, for rehabilitation purposes upon the completion of their facade renovation Project. **All rebates are based on a formula whereby Participants may receive a rebate of one dollar (\$1.00) for every three dollars (\$3.00) spent on the Project up to the appropriate maximum rebate amounts listed below.** For example, a single non-historic storefront Participant in the downtown area who spends thirty thousand dollars (\$30,000) for approved costs on his/her/its Project is eligible to receive a rebate in an amount up to ten thousand dollars (\$10,000).

*Focus on Downtown, A Façade Improvement Program Maximum Rebate Limits:*

	Single Storefront	Multiple Storefronts
<i>All Downtown</i>		
Non-Historic	Up to \$20,000	Up to \$40,000
Historic Properties	Up to \$30,000	Up to \$50,000
<i>C Street Focus Area</i>		
Non-Historic	Up to \$40,000	Up to \$60,000
Historic Properties	Up to \$50,000	Up to \$70,000

### Historic Property Incentive

As shown in the chart above, a historic property may be eligible to receive an additional rebate of up to ten thousand dollars (\$10,000) toward a Project, provided the total rebate amount is no greater than one-third (1/3) of the total Project costs. To be eligible for the historic property rebate incentive, the subject property must be designated as a historic structure or classified as a contributing structure to a designated historic district by the City of San Diego Historical Resources Board. All exterior changes to historic properties must meet the Secretary of the Interior Standards for Rehabilitation.

Rehabilitation to historical properties is subject to the historical resources regulations set forth in the San Diego Municipal Code. As such, additional review and/or approvals (including without limitation environmental review) may be required independent of this Program.

### **C Street Focus Area**

To maximize the on-going revitalization efforts along C Street in the downtown area, a focus area has been created on the C Street corridor [C Street Focus Area]. As shown in the chart above, a property located within the boundaries of the C Street Focus Area, as depicted on the map attached hereto as Exhibit "B" and incorporated herein by this reference, may be eligible to receive an additional rebate of up to twenty thousand dollars (\$20,000) toward a Project, provided the total rebate amount is no greater than one-third (1/3) of the total Project costs.

### **Terms of Rebate as a Forgivable Loan**

In accordance with the Program Guidelines, CCDC may provide up to one third of the total Project costs as a rebate in the form of a loan, forgivable over a five (5) year period, for rehabilitation purposes upon the completion of the facade renovation Project. Thus, a Participant shall finance the improvement work during construction and finance not less than two-thirds of the total Project costs.

Any rebates paid by CCDC pursuant to this Program shall not be made until all of the improvement work has been completed, all of the improvement work has been inspected and approved by CCDC, and all payments for said work have been made to all contractors, materials suppliers, and vendors. The Participant shall submit to CCDC itemized invoices detailing the work completed and materials purchased. Such invoices shall include proof of payment to all contractors, suppliers, and vendors. The Participant is responsible for all payments to all contractors, materials suppliers, and vendors.

Any rebates paid by CCDC pursuant to this Program constitute loans made to the Participants. However, said loans do not have to be repaid to CCDC provided that the property owner continues to own, or the business owner continues to occupy, the

rehabilitated property for a period of five (5) years from the date of receipt of the rebate without removing or significantly altering the façade improvements, as determined by CCDC in its sole discretion. The total amount of the loan will be forgiven in twenty percent (20%) increments on an annual basis such that at the end of the five (5) year period, the entire loan amount will be deemed forgiven and the loan balance will be zero. If the property owner sells the property or the business owner fails to occupy the property prior to the end of the fifth (5<sup>th</sup>) year, the remaining prorata share of the loan shall become due and payable to CCDC within thirty (30) calendar days, unless the succeeding property owner or business owner does not make any changes to the property resulting in the removal or a significant alteration to the façade improvements for a period of five (5) years from the date of receipt of the rebate.

### **Financing Your Project**

In addition to the rebates offered by this Program, Participants may also take advantage of existing small business finance programs offered by independent companies or organizations which provide low interest rate loans. One such company is CDC Small Business Finance [CDC] which provides below-market rate loans of up to two hundred fifty thousand dollars (\$250,000) for a variety of uses, not limited to façade improvements, including equipment purchases and tenant improvements. If a Participant is interested in taking advantage of the products offered by CDC, CCDC will coordinate a meeting with a CDC representative to discuss CDC's products in detail and to facilitate the application process. For more information on CDC products, please contact Susan Lamping at CDC: Telephone: (619) 243-8639; Email: [slamping@cdcloans.com](mailto:slamping@cdcloans.com).

Other small business finance resources are listed as follows:

City of San Diego Business Finance Program: (619) 236-6323  
ACCION San Diego: (619) 685-1380

## **3. GENERAL CONDITIONS**

### **(A) DEPOSIT**

Each Participant is required to provide a two hundred fifty dollar (\$250) deposit together with their application, upon submittal to CCDC. If the Participant completes the Project in accordance with the Program Guidelines, the deposit will be refunded. If the Participant does not complete the Project in accordance with the Guidelines, the deposit is forfeited and will be used by CCDC to defray the administrative costs associated with processing the application.

**(B) EXECUTION OF AN AGREEMENT**

Once the Project is approved by CCDC and prior to the commencement of any work on the Project, the Participant is required to enter into and execute a written agreement with CCDC which will establish the terms, conditions and requirements for participation in the Program [Program Agreement]. The Program Agreement shall be in a form mutually agreed upon by CCDC and the Participant consistent with these Program Guidelines and substantially in the form as the Program Agreement attached hereto as Exhibit “B” and incorporated herein by this reference. Commencement of work without an executed Program Agreement will automatically disqualify a Participant from being eligible to participate in the Program. The Program Agreement or a Memorandum of the Program Agreement shall be recorded against the subject property.

**(C) PREVAILING WAGE REQUIREMENT**

Each Participant of the Program acknowledges and agrees that the improvements to be constructed with the proceeds of a rebate in the form of a forgivable loan provided by CCDC do constitute the construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds under California Labor Code Section 1720 et seq. Each Participant shall comply with all requirements of the Department of Industrial Relations in accordance with the California Labor Code, and all other applicable federal, state and local laws and regulations pertaining to labor standards and the payment of prevailing wages. Each Participant shall (i) require its contractors and subcontractors to submit certified copies of payroll records; (ii) maintain complete copies of such certified payroll records; and (iii) make such records available to the Agency, CCDC, or their designees for inspection and copying during regular business hours at 225 Broadway, Suite 1100, San Diego, California 92101.

Projects with an estimated total Project cost of less than fifteen thousand dollars (\$15,000) in which a Participant requests a rebate of less than five thousand dollars (\$5,000) may be considered for a transfer to the City of San Diego for financial assistance under the City’s Storefront Improvement Program, which may not require compliance with the above referenced prevailing wage requirements. Upon a request from a Participant, the City will consider if a Project is eligible under the City’s SIP. Once a Project is transferred to the City for processing under the City’s SIP, CCDC will no longer administer the application and City staff shall be the contact for the application’s processing under the City’s SIP.

**(D) INSURANCE REQUIREMENTS**

During the entire period in which work on the Project is performed and until Project completion, Participant shall obtain and maintain in effect for said period the following insurance policies: (i) Comprehensive General Liability Insurance in a general aggregate

amount of not less than one million dollars (\$1,000,000), \$1,000,000 Products and Completed Operations Aggregate, and \$1,000,000 each occurrence; (ii) Automobile Insurance, maintained in full force and effect in an amount of not less than one million dollars (\$1,000,000) per accident; and (iii) Worker's Compensation Insurance, as required by law, in an aggregate amount of not less than one million dollars (\$1,000,000). Participant shall name CCDC and the Agency as additional insureds on its Comprehensive General Liability Insurance coverage.

#### **(E) FUNDS AVAILABILITY**

Funds are limited and participation of any Project in the Program is subject to the availability of funds.

#### **(F) PROJECT MANAGEMENT**

All Participants shall be fully responsible for managing the construction of their respective Projects including, without limitation, obtaining bids, selecting a licensed contractor(s), obtaining all necessary approvals, permits, and insurances, overseeing work of contractors, ensuring compliance with the payment of prevailing wage, and paying all invoices for the work, materials, and supplies.

#### **(G) PROPERTY MUST BE FREE OF CODE VIOLATIONS**

The subject property must have no outstanding or pending code violations, or any such code violations shall be addressed and fully corrected as part of the Project.

#### **(H) COMPLETION OF PROJECT**

Projects shall be completed within one (1) year from the effective date of the Program Agreement entered into by and between the Participant and CCDC.

#### **(I) OBLIGATION TO REFRAIN FROM DISCRIMINATION**

Each Participant shall be required to not discriminate on the basis of race, gender, religion, national origin, ethnicity, ancestry, sexual orientation, marital status, color, creed, age or disability in the solicitation, selection, hiring or treatment of any contractors or consultants, to participate in subcontracting/subconsulting opportunities. This language shall be incorporated into all contracts between a Participant and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers.

Each Participant shall covenant and agree for itself, its successors and its assigns to the subject property, or any part thereof, that there shall be no discrimination against or segregation of

any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.

## 4. PROGRAM STEPS

### **STEP 1: Application**

- CCDC reviews application package for Project and Participant eligibility and location/conformance to redevelopment objectives.
- CCDC verifies with the City of San Diego whether there are any outstanding or pending code enforcement actions involving the subject property.
- Participant is notified by CCDC that the Project and Participant is or is not eligible.
- Smaller Projects (total budget under \$15,000 and requested rebate under \$5,000) may be transferred to the City's Storefront Improvement Program if requested by a Participant.
- CCDC will coordinate a meeting between a Participant and CDC for other financing plans if requested.

### **STEP 2: Execution of Agreement; Deposit**

- If the Project and Participant are approved, Participant shall submit a \$250 deposit to CCDC.
- CCDC and Participant shall execute a Program Agreement.

### **STEP 3: Design/Architecture**

If CCDC's design assistance/architectural services are requested:

- An architect will be assigned to assist the Project.
- Participant, CCDC and the architect will meet to discuss design and architecture of the Project.
- CCDC provides up to 10 hours of design assistance/architectural services to Participant at no charge. Design assistance/architectural services in excess of 10 hours will be charged to the Participant at the contract rates charged to CCDC.

- Architect completes design/architecture of the Project and provides cost estimates and recommendations to the Participant.
- Participant submits design/architecture of the Project to CCDC for approval.

If Participant provides his/her/its own architect:

- Complete design/architecture of the Project with Participant's own architect.
- Participant submits design/architecture of the Project to CCDC for approval.

#### **STEP 4: Bids and Insurance**

- Participant shall obtain at least two (2) written bids from qualified, licensed contractors to perform the improvements of the Project, award the bid, and provide information on the awarding bid and the rejected bid to CCDC.
- Participant shall obtain and submit to CCDC certificates of all required insurance policies naming Centre City Development Corporation, the Redevelopment Agency of the City of San Diego, and their respective officials, officers, employees, agents, contractors, and agents as additional insureds.
- Participant shall provide to CCDC any required permits and approvals.

#### **STEP 5: Notice to Proceed**

- CCDC shall issue a "Notice to Proceed" to the Participant upon CCDC's receipt and approval of the awarded bid, insurance policy certificates, plans and specifications, Program Agreement, and any other requested documentation.
- Receipt of the "Notice to Proceed" is the Participant's authorization to begin construction. Please note all appropriate City of San Diego permits including, without limitation, building permits and other approvals must be obtained by the Participant prior to commencement of construction.
- Participant shall not commence work on the Project until receipt of the "Notice to Proceed".

#### **STEP 6: Construction**

- Participant hires a contractor and all contractual obligations regarding the improvement work for the Project are between the Participant and contractor. CCDC does not have any contractual relationship with the contractor.
- Participant must issue a notice to proceed to the contractor within thirty (30) calendar days of receipt of the Notice to Proceed from CCDC.
- Participant shall comply with all requirements of the Department of Industrial Relations in accordance with the California Labor Code, and all other applicable

federal, state and local laws and regulations pertaining to labor standards and the payment of prevailing wages.

- Participant is solely responsible for scheduling and monitoring the construction of all improvements of the Project.
- Participant has one (1) year to complete construction of the Project from the effective date of the Program Agreement entered into by and between the Participant and CCDC.
- Participant is solely responsible for making all payments to the contractor, suppliers, and vendors and is solely responsible for ensuring that all contractors, subcontractors, material suppliers, and other vendors are paid in full.
- Participant is solely responsible for ensuring that all work performed on the Project is done properly and satisfactorily.
- Upon completion, Participant shall notify CCDC and call for inspection.
- CCDC and Participant shall complete inspection of the Project.

#### **STEP 7: Rebate/Loan**

Participant shall submit a written request for a rebate to CCDC. The request for a rebate shall include:

- Cover letter indicating the Project is completed and the total Project costs and requesting a rebate in a specific amount within the maximum allowable limits.
- All contractor invoices detailing the specific tasks completed in accordance with the approved Project.
- Proof of Participant's payment of all contractor invoices, including payment of any invoices from subcontractors, material suppliers and vendors.
- Unconditional lien releases.
- Any additional back up material requested by CCDC, including proof of payment of prevailing wages.
- Two 8" x 11" photos taken of the Project after completion.
- CCDC shall review each request for a rebate and, if approved, process the request for payment to Participant in accordance with the Program Guidelines.
- CCDC issues a check for the approved rebate amount to Participant for a portion of the Project costs.

## **FOR MORE INFORMATION**

For more information or to request an application, please contact:

Eri Kameyama, Associate Project Manager  
Centre City Development Corporation  
225 Broadway, Ste. 1100  
San Diego, CA 92101  
Telephone: (619) 533 - 7177  
Facsimile: (619) 236 - 9148  
Email: [kameyama@ccdc.com](mailto:kameyama@ccdc.com)

If your property is not located within the Centre City and Horton Plaza Redevelopment Project Areas, you may be eligible to participate in the City of San Diego's Storefront Improvement Program. Please contact the City of San Diego's Office of Small Business at (619) 236-6460, for additional information.

EXHIBIT "A"

MAP

CENTRE CITY AND HORTON PLAZA REDEVELOPMENT PROJECT AREAS

(INCLUDING BOUNDARIES OF THE C STREET FOCUS AREA)

EXHIBIT "B"

FORM

PROGRAM AGREEMENT