



Staff Report

RESOLUTION AMENDING AND AUTHORIZING IMPLEMENTATION AND ADMINISTRATION OF THE FAÇADE IMPROVEMENT PROGRAM

Honorable Chair and Board Members:

Summary

Approval of the attached resolution will authorize implementation and administration of the amended Façade Improvement Program (FIP).

Background

At the March 11, 2008 meeting, staff presented draft amended rules and funding options for the Façade Improvement Program (FIP) for the Board's consideration. The Board directed staff to return with a resolution for approval of the amended program, incorporating funding option 1 – the "2 for 1" program.

The amended FIP reviewed by the Board includes a modified funding option and a simplified application procedure from the current program. These elements were designed to ameliorate the two main deficiencies of the current FIP – low grant amounts and complex application process, which surfaced following a survey of approximately a dozen downtown businesses conducted last year by a consultant hired by the Agency.

Additionally, staff was directed to provide regular updates and share success stories with the Board following the FIP implementation in order to track progress of the new program. The Board noted the importance of effectively marketing the program, and directed staff to return with a marketing plan at a later date. Other topics of discussion included the issue of loan default and the waiving of permit fees for FIP projects. The following section describes these points in greater detail.

Discussion

"2 for 1" Funding

The Board selected the "2 for 1" funding option in which applicants are eligible to receive \$1 in grant funding for every \$2 spent, up to \$25,000. This option seeks to encourage large projects with a high level of commitment by applicants. The draft amended rules contained in "Exhibit A" incorporate the "2 for 1" option.

Success Stories

Staff will provide regular reports to the Board on the status of the amended FIP once the program is implemented. Staff anticipates providing the first update one year after the program is implemented, to allow time for the application process to become fully established. Subsequent updates will be given annually, or as requested by the Board.

Marketing Plan

Once the amended FIP rules are approved by the Board, staff will prepare the application materials and initiate a marketing plan to reach potential applicants. The Board should be aware that the application procedure contained in “Exhibit B” of this report may be modified as the application packet is finalized.

The marketing plan will be described in greater detail in a companion staff report to be presented at an upcoming meeting. The following is a list of key strategies that will be used to advertise the program to local businesses:

- Mail letter and brochure to property owners and tenants in the FIP project area;
- Send press release to local newspapers;
- Post informational brochure at Belmont City Hall and Chamber of Commerce (including online), Belmont Library, etc. (see Exhibit “C” for sample brochure);
- Advertise the program on the Internet (City and Chamber of Commerce’s websites, etc.);
- Run ad on local public access TV station (Channel 27);
- Provide applicants with a notice to post at their business location, visible to the public, explaining how the FIP made the project possible, and how to apply;
- Collaborate with Belmont Chamber of Commerce – newsletter and Chamber events;
- Share information about the program with Rotary Club of Belmont;
- Share information about the program with local realtors and San Mateo County Association of Realtors (SAMCAR), San Mateo County Economic Development Association (SAMCEDA), and Peninsula Policy Partnership (P3).

Permit Fees

The Board discussed how the payment of permit fees upfront may discourage program participation by placing a financial burden on the applicant early in the process. Therefore, the rules have been amended to state that hard and soft project costs, including development application fees, are eligible for grant and loan funding. Applicants who receive preliminary FIP approval may credit development application fees against their approved funding.

Loan Default

The Board expressed concern over the additional staff time required to handle loan defaults. In order to lessen the risk of loan default, staff intends to issue secured loans. The draft amended rules require that applicants provide evidence of financial capacity to meet the loan requirements—preferably with real property collateral—and will be required to sign a Promissory Note with the Agency prior to construction and payment disbursement.

The amended FIP contains funding rules that apply separately to property owners and tenants to attain the highest level of security in loan agreements. When it is deemed appropriate, the Agency may take a security interest in the improvements to ensure compliance and ongoing maintenance of the façade.

General Plan/Vision Statement

The objective of the FIP redesign and implementation is consistent with the City’s Vision Statement in priding itself on a “Thriving Economy,” which is especially relevant to the FIP in the following ways:

- A charming, vibrant town center is the heart of our civic and economic life.
- Our economy prospers with a mix of attractive, successful businesses that fit with our community character.
- We look first in our own shops and restaurants for what we need.
- Education, arts and the economy flourish in concert.

Fiscal Impact

The amended program is expected to be accommodated within the approved \$150,000 FIP budget for FY 08-09. The staff time required for administration of the program and application processing will vary depending on the number and complexity of applications. Staff recommends allocating funds from the remaining FIP account balance of approximately \$145,000 in order to implement the marketing plan. Estimates for the initial marketing of the program are in the \$2,500 range. No augmentation of the FIP budget is required.

Public Contact

Posting of City Council agenda.

Recommendation

Staff recommends that the Board review the draft amended FIP rules and approve the attached resolution amending and authorizing implementation and administration of the FIP. Additionally, staff recommends that the Board direct staff to initiate the marketing plan as outlined in this report.

Alternatives

1. Direct staff to return for further discussion and direction.
2. Take no action.

Attachments

- A. Exhibit A: Draft Amended FIP Rules and FIP Project Area Map
- B. Exhibit B: Addendum to Draft Amended FIP Rules (Application Procedure)
- C. Exhibit C: Sample FIP Informational Brochure

Respectfully submitted,

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REDEVELOPMENT AGENCY RESOLUTION NO. _____

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BELMONT
AMENDING AND AUTHORIZING IMPLEMENTATION AND ADMINISTRATION OF
THE FAÇADE IMPROVEMENT PROGRAM**

WHEREAS, the Redevelopment Agency adopted Resolution No. RA-109 on August 13, 1991, establishing rules for the administration of the Commercial Building Façade Rebate Program; and,

WHEREAS, the Agency adopted Resolution No. RA-116 on January 14, 1992, modifying the rules for the administration of the Commercial Building Façade Rebate Program; and,

WHEREAS, the Agency has budgeted funds for this program for the current fiscal year; and

WHEREAS, the funding of the Façade Improvement Program is exempt from the requirements of CEQA, pursuant to Section 15061(b)(3); and,

WHEREAS, the Agency finds that the Façade Improvement Program is consistent with the City's Economic Development Strategy; and,

WHEREAS, improvements funded under the Façade Improvement Program are subject to both the City of Belmont and State of California Prevailing Wage requirements; and,

WHEREAS, the City of Belmont Purchasing Ordinance is hereby amended to include the Façade Improvement Program as an exemption; and,

WHEREAS, The Agency desires to assist the business community in filling commercial vacancies and recruiting tenants in the target area; and,

WHEREAS, The Agency desires to assist property and business owners in complying with the Downtown Specific Plan and City General Plan, and to improve the general aesthetics of the City's commercial areas along El Camino Real, Ralston Avenue, and Old County Road; and,

WHEREAS, the Agency finds that the Façade Improvement Program can be made more responsive and provide greater incentives by amending the rules for administration;

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Belmont approves amended rules for and approves administration and implementation of the Façade Improvement Program as shown in Exhibit "A" attached hereto.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Redevelopment Agency of the City of Belmont at a special meeting thereof held on April 8, 2008, by the following vote:

AYES, DIRECTORS: _____

NOES, DIRECTORS: _____

ABSTAIN, DIRECTORS: _____

ABSENT, DIRECTORS: _____

Secretary, Redevelopment Agency

APPROVED:

Chair, Redevelopment Agency