

City of Hemet

Commercial Facade Improvement Grant Program Guidelines



June 2024

City of Hemet

<https://www.hemetca.gov>

PROGRAM OVERVIEW

The Commercial Facade Improvement Grant Program (CFIGP) is a new City of Hemet business incentive program to enhance the physical appearance and attract new visitors to the City's major commercial corridors. The Program offers two types of facade improvement grants, as well as up to ten (10) hours of architectural fees and five (5) hours of design assistance to alleviate up-front design costs. The City Council has appropriated \$450,000 in Fiscal Year 2023-24 and the draft Fiscal Year 2024-25 budget includes an additional \$450,000 toward this program.

Applications will be considered on a first-come, first-served basis. The long-term objective is to upgrade and improve the physical appearance of businesses, encouraging retention of existing businesses, increasing property values, and improved business vitality.

PROGRAM COMPONENTS

Commercial Facade Improvement Grants

Small-Business Grant – Provides reimbursement of up to **Thirty** Thousand Dollars (\$30,000) for commercial building façade improvements with a 5% matching requirement. Projects must be completed within six (6) months of the grant approval or building permit issuance. The Small-Business Grant program is limited to the Downtown Specific Plan area with a preference for improvements on Florida Avenue. Museums and non-profit organizations are eligible to apply as well. The City has allocated \$120,000 for Small-Business Grants which will fund improvements at a minimum of four (4) businesses in Fiscal Year 2023-24. The City intends to allocate an additional \$120,000 toward Small-Business Grants in the Fiscal Year 2024-25 budget. Applications will be reviewed by staff and subsequently presented to the Planning Commission for review and prioritized for funding after an initial 60-day application period. All submittals following the initial application period will be considered for funding as they are submitted.

Macro-Business Center Grant – Provides a reimbursable matching grant of 80% of eligible project costs. The total cost of the improvement work must be more than Three Hundred Fifty Thousand Dollars (\$350,000). Matching grant recipients are required to contribute a minimum of 20% of the total facade improvement costs. Projects must be completed within eighteen (18) months of building permit issuance. The City has allocated \$330,000 for one Macro-Business Center Grant in Fiscal Year 2023-24 that requires a minimum private investment of \$66,000. The City intends to allocate an additional \$330,000 toward a Macro-Business Center Grant in Fiscal Year 2024-25. Applicants for the Macro-Business Center Grant with projects in excess of \$396,000 may consolidate funding from Fiscal Year 2023-24 and 2024-25 appropriations toward their project so long as a match of 20% is provided. Planning Commission approval is required for all Macro-Business Center Grants.

Grant funding is to be used for labor and materials directly related to the commercial facade construction only. Program funds are to be used for exterior building improvements and revitalization rather than a simple routine maintenance or equipment (e.g. tools).

The City of Hemet will provide reimbursement of expenses after it deems the project is completed, and upon the submission of invoices, and proof of payment. If the project is anticipated to extend beyond the required completion date, prior written City Manager approval is required to extend the performance period.

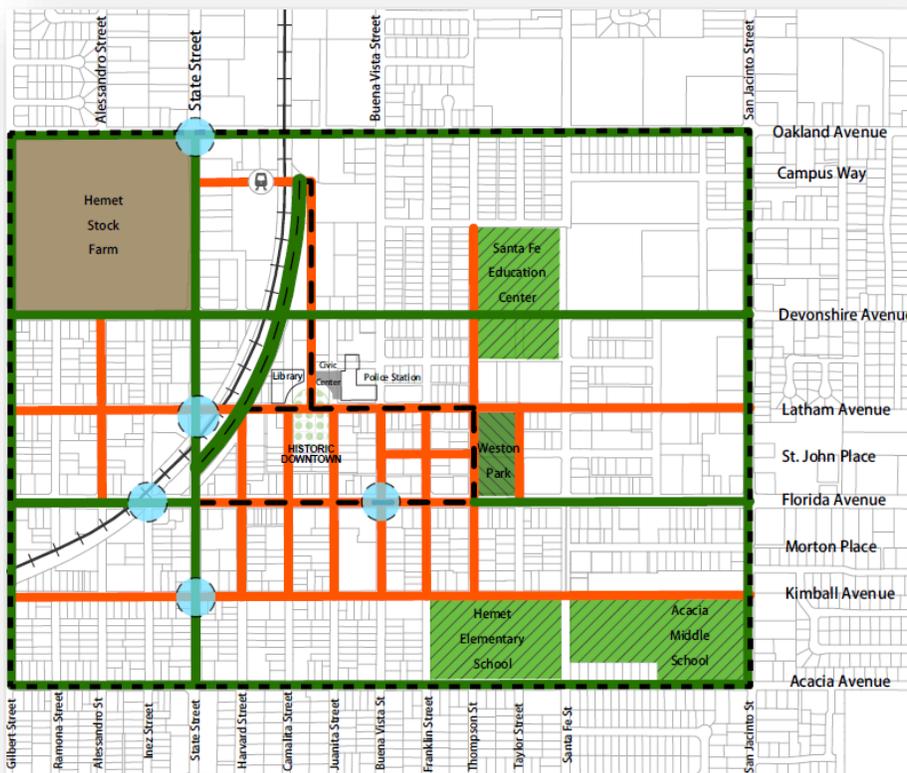
Architectural Design or Design Assistance

The City of Hemet will provide reimburse a maximum of ten (10) hours of Architectural Design Assistance for Exterior Commercial Facade Improvements to approved applicants. The City will also reimburse up to five (5) hours of professional designer services (e.g. paint, signage, awnings, windows, etc.).

Fee Exemption

Applicants for the Commercial Facade Improvement Program are exempt from Planning and Building permit fees. Note, fee exemption does not apply to any mandated fees by the State of California or fees required by other public agencies.

Figure 1:
Hemet Downtown District Map



PROGRAM REQUIREMENTS AND PRIORITIES

Program Priority

Applications for property improvements will be prioritized according to the following criteria:

1. Projects that involve a historical restoration/renovation of a building.
2. Projects that provided significant value to the Harvard District or Florida Avenue.
3. Properties or areas that historically have been targeted for graffiti and/or are prone to blight.
4. Properties or areas adjacent to historic facilities such as the Hemet Depot/Museum.

Eligible Applicants

Owners or long-term tenants of commercially zoned property located within one of the following areas are eligible to apply for the Commercial Facade Improvement Grant:

1. Hemet Downtown Specific Plan on Florida Avenue between State Street and San Jacinto Avenue
2. Retail Shopping Centers located in the City of Hemet

Note, tenants must have the property owner's written consent before any facade improvements are made. In addition, the grant application must be signed by the property owner.

Eligible Property Improvements

All improvements shall conform to City Building Codes, the City's Zoning Ordinance, and applicable Design Guidelines. Properties or businesses with active Zoning or Code Enforcement cases are not eligible for this program. Eligible improvements include, but are not limited to:

- Historic Building Restoration (removal of non-historic materials or additions such as stucco and exposing original masonry/brick)
- Exterior Facade Treatments (stucco, brick veneer, paint removal, etc.)
- Replacement of Signage
- New Awnings
- Parking Lots
- Exterior Painting visible from right-of-way
- Exterior Lighting
- New Windows/Window Frames
- New Exterior Doors
- Structure Components such as Foundation, Wall, Beams, Floor, Slab, Columns, Stairs, and Frames (Only Macro Business-Center Grant qualify).
- Construction of New Facade Elements

- Anti-graffiti Treatment to Existing Windows
- Installation of Permanent Landscaping
- Construction of Outdoor Dining or Gathering Spaces
- Murals, if they are professionally done and receive Planning Commission approval, provide an important aesthetic improvement and/or improve an expanse of wall or surface prone to graffiti.
- Additional improvements that are deemed to be consistent with the intent of the program will be reviewed and approved/disapproved on a case-by-case basis by the Community Development Department and City Manager.

PROGRAM PROCEDURES

Applicant Intake and Eligibility

- 1. Application and Required Documents.** Applications are available at Hemet City Hall or online at www.hemetca.gov. Each application must be completed in its entirety, signed and submitted with all required documents as listed in the application, signed proof of ownership or lease agreement, and submit a Certificate of Good Business Standing (<https://bizfileonline.sos.ca.gov>). Please contact the City's Economic Development Manager at (951) 765-2310 for assistance with any application questions. The City will maintain a waiting list for all prospective participants. Incomplete applications will not be processed.
- 2. Review of application.** All complete applications will be date stamped when received. An initial application period of 60 days will be established before Applications are reviewed by staff and presented to the Planning Commission for review and prioritized for funding.

Incomplete applications will not be processed until all requested information is submitted. A City staff representative will contact applicants via telephone and through written correspondence concerning Planning Commission approval or denial of their application. Eligible applicants will be contacted to enter into an agreement with the City and schedule a property inspection.

Property Inspection

- 1. Initial Inspection.** A site visit will be arranged between the Community Department staff and the property owner and/or business owner to undertake an inspection of the building and to develop specifications for the Program. Staff will inspect the property to ensure that the building meets code requirements for the exterior of the building.

2. **Follow-Up Inspection.** If City Staff finds code violations during the initial inspection, the property owner and/or applicant will be required to correct those violations before continuing in the Program process. A follow-up inspection will be arranged between City Staff and the property owner and/or business owner to ensure the property is up to code.

Contractor Selection

1. **Procurement.** Applicants are free to select their contractor and submit at least one quote to the City of Hemet. The chosen contract must comply with the City's requirements for contractors. The City reserves the right to require or obtain additional bids/estimates to determine the validity of the proposed project.
2. **Contractor Requirements.** The City shall maintain a file for each contractor performing work pursuant to the terms and conditions of this program. The file shall include the following information:
 - a. Copies of the contractor's current liability and worker's compensation insurance policies;
 - b. Copies of the contractor's current California Contractor's License;
 - c. Copy of contractor's City Business License; and City Business License
 - d. Provide a subcontractor list as applicable.

Any contractor with an expired General Liability and/or Workers Compensation insurance or a valid state contractor's license shall be removed from the job until he/she is able to provide proof of current insurance and/or license. All contractors shall be required to obtain a City Business License prior to the issuance of a building permit.

3. Ineligible Contractors

- a. The City and the applicant(s) shall agree not to award any contract for rehabilitation work, to be paid for in whole or in part with proceeds from the Program, to any contractor who does not have a valid state contractor's license, who cannot produce sufficient evidence of current Worker's Compensation and Liability Insurance coverage, or who is on the federal Housing and Urban Development's (HUD's) Debarred Contractor list.
- b. All owner/builders, or any member of the applicant's family or extended family, are considered ineligible, regardless of credentials or license. Any ineligible contractor found working at the job site will be removed immediately, without compensation.

Award of Grant

1. **Notification.** The City shall notify the selected contractor of the award of the grant award and shall establish date, time and place for the pre-construction conference. The pre-construction conference will include City Staff, property/business owner(s) and contractor.
2. **Agreement.** The agreement for the approved facade improvements shall be prepared by the City Attorney's Office and shall be entered between the property/business owner(s) and the City.
3. **Private Arrangements.** The City cautions the property/business owner and the contractor not to enter "side deals" for additional work or deviations from the approved scope of work.
4. **Pre-Construction.** Prior to construction, the City will arrange a pre-construction meeting which shall be attended by the contractor, the property/business owner(s), and representative City staff. The purpose of this meeting is to explain all Program requirements and procedures, coordinate and schedule the work start date, and answer questions related to contract documents.
5. **Start of Construction.** No work shall commence until a "Notice to Proceed" has been issued to the contractor, signed by the property/business owner(s) and the City. In addition, no work shall commence until all required permits have been issued by the City's Building Division.
 - a. The contractor shall contact the Community Development Department to obtain all requirements for plan submittal to obtain building permits. Plans will be reviewed by the City's Building and Planning divisions.
 - b. Applicants for this program are exempt from City Planning and Building permit fees. This fee exemption does not apply to fees mandated by the State of California including, but not limited to, the California Green Building Standards fees.

Reimbursement Process

1. Upon approval, the City of Hemet will enter into agreement with the applicant and approved work may begin immediately after the agreement is fully executed.
2. Applicants are responsible for obtaining all necessary permits (including building permits) and authorities from the City.
3. Staff will inspect the project to ensure compliance with grant.
4. Work must be completed within six (6) months of grant award.
5. All work must comply with approved plans.

6. Grant funds will only be disseminated to the contractor not the applicant, once the construction of the City approved improvements has been completed and has been inspected by City Staff.
7. Grant funds will be disseminated upon the issuance of a Notice of Completion has been issued by City Staff.

Applicant Responsibilities:

1. **Property Maintenance.** The property/business owner(s) is/are responsible for property maintenance during the rehabilitation work (contractor is responsible for keeping the property clean of all construction material). The property/business owner(s) is/are responsible for insuring that the rehabilitation work is not impeded because of their actions or the actions of their tenant(s). The City shall encourage the contractor and his/her employees to provide adequate pedestrian and property protection at the construction site.
2. **Property Tax Bills.** Current property tax bills for the subject property must be current. The property owner(s) is/are responsible for insuring that the property taxes are current. The City will verify that the property taxes for the property are current. If the property's tax statement indicates a delinquency, at the time of the Program application, the City shall not proceed with grant processing until it is supplied with a Certificate of Redemption or other appropriate documentation of proof of payment.
3. **Notice of Completion.** The property/business owner(s) is/are responsible for scheduling a final job completed inspection with the City's Building, Life and Safety Department. The City will verify that the project received a passing final inspection. After all requirements have been met, the City will issue a Notice of Completion to the property/business owner(s).

FUNDING

Funding for the Commercial Facade Improvement Program is allocated by the City of Hemet City Council, and the amount of funds available each year is not guaranteed. The grant funds are distributed on based on review and prioritization by the City's Planning Commission. If grant funds are depleted at the time of application submission, City Staff will keep your application on file. However, if additional funds become available, City Staff will contact applicants on the waiting list.

The City of Hemet reserves the right to cancel or modify this Program at any time prior to grant approval, with written notice to the applicant by the Economic Development Manager. Continuation of the Program is subject to sufficient funding as appropriated by the Hemet City Council.

APPLICANT CERTIFICATION

Please read the statements below and initial and sign certify that you understand:

____ I/we certify that the building owner is the owner of the property.

____ I/we certify that there are no current code enforcement actions pending against this property*.

____ I/we have attached a copy of all current leases.

____ I/we have attached relevant photos of the building facade(s) to be included in this program.

____ I/we have reviewed the program overview and guidelines, have familiarity with responsibilities of each party and understand that:

____ All services to be performed by contractors shall be the subject of agreement between applicant and contractor(s).

____ The Agency shall not assume any liability for such agreements, except as specifically authorized by the program.

____ I/we have read and understand the City of Hemet program guidelines, accept the qualifications and conditions and through signature(s) below, certify that I/we are qualified and will abide by such conditions set forth in this application and all reasonable conditions which may be issued by the City of Hemet in the implementation of this program. I understand that this is a voluntary program, under which the City of Hemet has the right to approve or deny any project or proposal or portions thereof.

Signature: _____

Date: _____

Property Owner Signature _____

Date: _____

(If Tenant is Applying)



Commercial Facade Improvement Grant Program Application



Please fill out the application completely and submit to bsandoval@hemetca.gov or send to:

City of Hemet
Attention: Economic Development Department
445 E. Florida Ave
Hemet, CA 92543
(951) 669-0265

*** SECTION 1 - APPLICANT INFORMATION:**

Name: _____

Circle All That Apply: Property Owner Business Owner/Tenant

Business Name: _____

Property Address: _____

Mailing Address: _____

Phone Number: _____

Email: _____

Total Number of Businesses in Building: _____

Name(s) of Other Businesses: _____

*** SECTION 2 - PROPERTY OWNER INFORMATION *(Complete even if the current tenant is the applicant):***

Property Owner Name: _____

Property Owner Mailing Address: _____

Property Owner Daytime Phone Number: _____

As the legal owner of the above property, I hereby grant authorization to complete the façade improvements indicated on this application.



Signature: _____ Date: _____

*** SECTION 3 - FUNDING:**

Grants (Please Check One):

___ **Small-Business Grant** (Requires minimum 5% match; Reimbursement of up to \$30,000)

___ **Macro-Business Grant** (Requires minimum 20% match; Reimbursement of up to 80% of eligible expenses up to \$700,000 (requires minimum applicant investment of \$66,000)

Grant Amount Requested: \$ _____

Estimated Total Project Cost: \$ _____

SECTION 4) SCOPE OF WORK:

General Description of Work:

*** SECTION 5 - ACKNOWLEDGMENT:**

We certify that the owner is the property owner of record and that there are no current zoning code enforcement actions pending against the property. I have read and understand the Program Guidelines and accept them. I certify that I am qualified and will abide by such conditions set forth in this application and all reasonable conditions which may be issued by the City of Hemet in the implementation of this project.

Property Owner(s) Signature: _____ Date: _____

Business Owner(s) Signature: _____ Date: _____