

# ***MANTECA REDEVELOPMENT AGENCY***

## **Façade Improvement Maintenance Program**

### **Program Description and Procedures**



Making and maintaining improvements to the exterior appearance of commercial buildings and property generates increased sales and creates additional jobs over time, thereby helping to strengthen the vitality of the City's business areas. The positive results from façade improvements and maintenance are a win-win situation for property owners, business owners and the community. The Façade Improvement Maintenance Program was created to encourage the continued rehabilitation of commercial facades and resulting ongoing revitalization of the City's business areas. The Program requires the maintenance of recently improved exteriors of commercial buildings and adjoining property by Program participants.

### **Eligibility Requirements**

- Property must be in the Amended Merged Project Area of the Manteca Redevelopment Agency. The Amended Merged Project Area Map is attached.
- Property owners and business owners (tenants\*) are eligible to apply. For tenants to participate in the Program, they have to provide written authorization from the property owner verifying they were given approval to complete the façade improvements indicated on the application.
- Chain store (franchise) businesses are eligible to apply only if the business is 100% owned by a franchisee.
- Applicant can apply to participate in the Program within 18 months after exterior improvements have been made to the property.
- Applicant must provide\*\* proof that contractors and subcontractors who did the exterior improvements were properly licensed to perform the work.
- Applicant must provide\*\* a detailed description of each exterior improvement made, as indicated on invoices or on signed and dated receipts from the licensed contractors and subcontractors who did the work, and the total amount paid for all the improvements.
- Applicant must provide\*\* proof they fully paid for the exterior improvements.
- Tenants participating in the program must provide\*\* proof their lease covers a time period as long as the time period they select for the Maintenance Covenant to be in effect.

\*For purposes of this Program, a tenant is a business owner leasing space from the property owner or is the Manteca Mural Society or another qualifying non-profit organization that has written approval from the property owner to paint or install a mural on the owner's property.

\*\*This information must be submitted with the Program application. An incomplete application will not be accepted.

## **Program Information**

- The Program is 'anchored' by a Maintenance Covenant between the Manteca Redevelopment Agency and the applicant for maintaining exterior improvements completed within 18 months prior to the date of the Program application.
- The Maintenance Covenant requires the recent exterior improvements to be maintained in good condition by the applicant for a period of five to ten years. The applicant will select the number of years the Maintenance Covenant will be in effect.
- The Agency pays the applicant for agreeing to a Maintenance Covenant, with the amount of the payment determined by a set formula that is based on the length of time the Maintenance Covenant will be in effect and the type of exterior improvements made to the property within 18 months of the Program application date.
- The applicant receives payment from the Agency for agreeing to a Maintenance Covenant, with the payment being in the form of a forgivable loan at a fixed, market interest rate that is equal to the Prime Rate on the date the Program application is 100% complete as determined by Agency staff.
- The loan will be forgiven if the applicant abides by all the conditions in the Maintenance Covenant for the duration of that agreement. There is no provision for forgiving a partial amount of the loan.
- The Promissory Note for the loan needs to be secured by a deed of trust on the underlying commercial property or on another property owned by the loan recipient. This requirement does not apply when the Maintenance Covenant covers only a mural façade improvement, as defined below.

## **Calculating the Loan**

- The loan amount is determined by the following formula: number of years the Maintenance Covenant will be in effect multiplied by \$3,000 per year multiplied by the total percent value of eligible exterior improvements.
- Each eligible exterior improvement is assigned a percent value, as follows:
  - 5% for architectural services and other design work
  - 5% for adding or replacing signage or decorative lighting
  - 10% for adding or replacing window(s) or door(s)
  - 10% for painting existing surfaces
  - 15% for adding or replacing awning(s) or overhang(s)
  - 15% for adding or replacing landscaping

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- 20% for adding or replacing stucco or color-coating existing stucco
- 20% for adding or replacing brick or stone
- Up to 20% at the Agency's discretion for other exterior improvements, such as adding or replacing a patio or deck
  
- A mural is also an eligible exterior improvement when authorized by the property owner and painted or installed on their property by the Manteca Mural Society or another qualifying non-profit organization. A mural exterior improvement is assigned a percent value of 60%.
  
- The total percent value of all eligible exterior improvements can not exceed 100%.
  
- The maximum potential loan amount is \$30,000 for a 10-year Maintenance Covenant for eligible exterior improvements that add up to a percent value of 100% (i.e., 10 years x \$3,000 per year x 100%).
  
- The actual loan amount can not exceed 67% of the total amount paid for eligible exterior improvements made within 18 months of the Program application date.
  
- The loan amount, as determined by the above formula, must equal \$5,000 or more. Loans for less than \$5,000 will not be approved.
  
- Examples of loan amounts:

| Length of Time Maintenance<br>Covenant Will Be in Effect | Total Percent Value of Eligible Exterior<br>Improvements |          |          |          |          |
|--|--|----------|----------|----------|----------|
|  | 20%  | 40%      | 60%      | 80%      | 100%     |
| 5 years  | N/A  | \$6,000  | \$ 9,000 | \$12,000 | \$15,000 |
| 6 years  | N/A  | \$7,200  | \$10,800 | \$14,400 | \$18,000 |
| 7 years  | N/A  | \$8,400  | \$12,600 | \$16,800 | \$21,000 |
| 8 years  | N/A  | \$9,600  | \$14,400 | \$19,200 | \$24,000 |
| 9 years  | \$5,400  | \$10,800 | \$16,200 | \$21,600 | \$27,000 |
| 10 years   | \$6,000  | \$12,000 | \$18,000 | \$24,000 | \$30,000 |

### Limitations and Exclusions

- A loan can be applied for on each building when multiple buildings are on a property if each building has an existing street address and is visible from the public right-of-way.
  
- Only one Program loan on a building can exist at one time. A mural and any associated exterior improvements do not count against this limitation.
  
- Exterior improvements that do not enhance the appearance of the street elevation or other primary access points to the building, such as an alley elevation or parking lot

elevation, or do not enhance the appearance of the adjoining property are not eligible under the Program. Enhancing the appearance of the elevation(s) or the adjoining property includes, but is not limited to, façade improvements with appropriate and attractive designs, use of earth tone or other non-offensive colors, consistent signage, and appropriate and attractive landscaping.

- Exterior improvements that are not visible from the public right-of-way (i.e., public streets, alleys and parking lots) are not eligible under the Program.
- Exterior improvements that do not comply with current City codes, ordinances, rules, regulations and design standards/guidelines, if any, are not eligible under the Program.
- Exterior improvements to a property where any business operates without a valid City of Manteca business license are not eligible under the Program.
- Exterior improvements done by unlicensed contractors and subcontractors or by any other individuals, including property owners and tenants, are not eligible under the Program.
- Interior improvements, even if they are visible from the public right-of-way through windows or doors, are not eligible under the Program.
- Interior or exterior business equipment and displays, roofing and mechanical equipment, paving and concreting of parking areas, security fencing, window security bars and the like are not eligible under the Program.

### **Contact Information**

If you are interested in participating in the Façade Improvement Maintenance Program, please contact Kevin Birkholz, Economic Development Specialist, Manteca Redevelopment Agency, at 1001 W. Center Street, Manteca, CA 95337 or by calling (209) 825-2323.