



**Agenda Item C.2**  
**DISCUSSION/ACTION ITEM**  
**Meeting Date: October 21, 2008**

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**TO:** Redevelopment Agency Chair and Agency Members

**FROM:** Daniel Singer, RDA Executive Director

**CONTACT:** Vyto Adomaitis, RDA, Neighborhood Services & Public Safety Director  
 Jaime Valdez, Sr. Management Analyst

**SUBJECT:** Update on Storefront Façade Improvement Program

**RECOMMENDATION:**

Receive a staff report and provide direction to staff as to whether to proceed with a formal request for re-appropriating funds to the Storefront Façade Improvement Program (SFIP).

**BACKGROUND:**

On July 19, 2006, the RDA Board approved a pilot Storefront Façade Improvement Program with start-up funding in the amount of \$250,000. The purpose of this program is to enhance the exterior appearance of buildings in the Old Town Business District of the City of Goleta, while preserving the historic character and integrity of the existing buildings in order to help with the revitalization of Goleta Old Town.

The City of Goleta is committed to improving the vitality of its Old Town Heritage District. As such, the RDA initiated a Storefront Façade Improvement Program (SFIP) to assist merchants and commercial property owners with exterior rehabilitation of their property. Financial assistance is offered in the form of a one-time grant of up to \$20,000 for eligible repairs and improvements. The maximum amount of assistance any one property owner can qualify for is three grants totaling \$60,000 with the Agency assistance being limited to 90% of the improvement costs. The table below outlines the percentages and total number of grants available to individual property owners.

<b>BUILDING/ BUSINESS</b>	<b>AGENCY'S % OF IMPROVEMENT COST</b>	<b>MAXIMUM GRANT AMOUNT</b>
Single Business	80%	\$15,000
Multiple Businesses/ Buildings	90%	\$20,000/unit
Up to a Maximum of Three (3) Grants	90%	\$60,000 TOTAL

**DISCUSSION:**

This pilot program has managed to spend over 97% of the \$250,000 in assistance allocated in two years. Virtually all of the expenditures have occurred since April of 2007. The remaining \$5,644 is scheduled to be used by early November 2008.

The table below summarizes how much and where the RDA has spent its grant money on the SFIP.

**EXPENDITURE ANALYSIS**

<b>Property/Business</b>	<b>Agency Expenditure (A)</b>	<b>Participant Total Expenditure (B)</b>	<b>TOTAL Improvements (C)</b>	<b>Leverage Ratio (C/A)</b>
5860/5878 Hollister Ave	\$49,482	\$65,498	\$114,980	2.3
5730 Hollister Ave	\$38,461	\$15,273	\$53,735	1.4
5748 Hollister Ave	\$5,920	\$1,480	\$7,400	1.2
5822 Hollister Ave	\$32,535	\$8,615	\$41,150	1.3
5551 Hollister Ave	\$13,140	\$2,460	\$15,600	1.2
5718 Hollister Ave	\$59,881	\$68,198	\$128,079	2.1
5708/5710 Hollister Ave	\$43,442	\$165,573	\$209,915	4.8
Internal Charges (Fees, Permits, etc.)	\$1,495	\$0	\$0	n/a
<b>TOTAL</b>	<b>\$244,356</b>	<b>\$327,098</b>	<b>\$569,959</b>	<b>2.3</b>

Staff is pleased to report that the Agency's investment in Old Town through this program has leveraged impressive financial participation from property owners. With nearly \$250,000 granted by the RDA and another \$327,098 invested by property owners, the total amount of improvements has reached \$569,959. The leverage ratio illustrates that for every one (\$1) dollar spent by the RDA, over two (\$2.33) dollars worth of improvements were done to participating businesses/buildings. The attached PowerPoint presentation (Attachment 1) provides some visual samples of the work completed as a result of the SFIP.

Program participants have been appreciative of not only the RDA financial support but the responsiveness of staff in moving participants through the approval and permit process in a timely fashion. Similarly, a number of contractors have also expressed their gratitude for making the process rather straightforward and providing payment expeditiously to participating contractors.

Furthermore, numerous Old Town commercial property owners and merchants have expressed interest in seeing the program continue. This however would require new funding from the RDA Board. Staff is recommending that the RDA Board consider re-appropriating funds to this very popular program so that the work to improve Old Town can continue.

**STRATEGIC PLAN:**

This SFIP re-appropriation is consistent with the Goal in the Goleta Strategic Plan entitled, "Promote a Healthy Business Climate." Specifically, this program meets the objective "Revitalize Old Town Area" and moves the City closer towards realizing its vision as defined within the City's Strategic Plan.

**ALTERNATIVES:**

1. The RDA Board could choose not to re-appropriate funds to the SFIP.
2. The RDA Board could choose to re-appropriate funds to the SFIP either at the recommended amount or some other amount deemed appropriate by the Board.

**FISCAL IMPACTS:**

The initial funding for this program is expected to be fully expended by early November 2008. At this time Staff is requesting a one-time re-appropriation of the SFIP, not an ongoing annual allocation. If the RDA Board were to re-appropriate funds to the SFIP, less money would be available for other purposes/projects germane to the RDA.

The recommended refunding of the program would entail a budget adjustment resulting in a transfer from the RDA's general fund balance to 601-5-6100-222 in the amount of \$250,000.

Submitted By:

Reviewed By:

Approved By:

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Vyto Adomaitis  
RDA, NS & Public Safety  
Director

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Michelle Greene  
Administrative Services  
Director

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Daniel Singer  
RDA Executive Director

**ATTACHMENTS:**

1. PowerPoint Presentation Update on SFIP

# **ATTACHMENT 1**

## **Update on Storefront Façade Improvement Program (SFIP)**



# Update on Storefront Façade Improvement Program (SFIP)

**Presentation to the Redevelopment  
Agency for the City of Goleta**

**October 21, 2008**

Vyto Adomaitis, RDA, NS & Public Safety Director  
Jaime A. Valdez, Sr. Management Analyst

# Background Information

- On July 19, 2006 the RDA Board approved a pilot Storefront Façade Improvement Program (SFIP) in the amount of \$250,000.
- SFIP is designed to help business and building owners in the Heritage District of Old Town Goleta to improve the exterior of their places of business.
- Grants covering 80% to 90% of improvement costs up to \$15,000 to \$20,000, respectively, per applicant may be awarded for eligible businesses and buildings.
- The maximum for any one property owner is 90% of improvement costs up to \$60,000 for three or more businesses/buildings.

# Expenditures

## EXPENDITURE ANALYSIS

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# [ Before and After ]

## 5730 HOLLISTER AVENUE



**BEFORE**



**AFTER**

Improvements included: Roof replacement, Asphalt resurfacing, and Exterior paint



# [ Before and After ]

5708 and 5710 HOLLISTER AVENUE



BEFORE (5708)



AFTER (5708)

Improvements included:  
New windows, Electrical repairs, Façade woodwork and framing, Asphalt resurfacing, Gutters, and Paint

# [ Before and After ]

5718 HOLLISTER AVENUE



**BEFORE**



**AFTER**

**Improvements included: Roof repair, Asphalt resurfacing, New Glass, and Exterior paint**

# Support from Participants

- *“We are grateful to the City of Goleta for their large rehab grant in 2007 that enabled us to paint our buildings – 5860-78 Hollister Ave. It was a very generous grant and you made it easy for us in terms of the necessary paperwork and management. The grant provided much needed inspiration to “take it from there” as well as freeing funds for the additional projects that are listed below.”*

--Mr. and Mrs. Max Ruston  
(5860-78 Hollister Avenue)

# [ Recognition ]

- Contractors and Property Owners have lauded the RDA's efforts to improve Old Town through the SFIP. Participants have specifically pointed to the relative simplicity, structure, and quickness of the program.
- RDA staff would like to recognize support from other City Staff, specifically PES, Community Services and Finance.

# Conclusion

- While there exists some difficulties in terms of obtaining bids given the prevailing wage requirement of the program, the RDA believes the benefits clearly outweigh any costs of inconvenience.
- RDA staff recommends the refunding of the SFIP in the near future as a way to help Property Owners improve their buildings along with the general appearance of Old Town along the Hollister corridor.