

# CITY OF MONTEBELLO



# COMMERCIAL FAÇADE GRANT PROGRAM GUIDELINES & APPLICATION (JULY 2024)

Planning and Community Development Department  
1600 W. Beverly Blvd.  
Montebello, CA 90640  
(323)887-1200 Ext. 1454

## **SECTION I - OVERVIEW OF PROGRAM**

### **A. Purpose, Goal and Objective of Program**

The purpose of the Commercial Façade Program (the “Program”) is to enhance economic opportunities in the City of Montebello (“City”). The Program will provide financial assistance in the form of a grant to commercial property and/or business owners to make facade improvements to commercial buildings located within the City that benefit low to moderate income service areas, within the boundaries of the City.

The goals and objectives of the Program are as follows:

- Facilitate commercial revitalization and enhance the character in the targeted area
- Preserve and beautify the Low to Moderate Income (LMI) Areas in the City
- Create a pleasant walkable environment through improvements to the visual aesthetics of commercial building facades.

The underlying objective of the Program is to assist in restoring, substantially beautifying, and/or enhancing the entire façade of a commercial building.

### **B. Source of Funds**

Funding for the Program will derive from the Community Development Block Grant (CDBG). The funding allocation for this Program is based on annual allocations provided by the U.S. Department of Housing and Urban Development (“HUD”). The Program is intended to support and provide opportunities to eligible property owners for improvements to the appearance of existing commercial buildings with grant funding with a maximum of up to **\$25,000 per establishment**.

The Program will only fund projects that significantly improve the visual appearance of the whole façade of the property from the street. Design and permit fees associated with the construction are also eligible projects costs.

### **C. Required 5% Personal Contribution**

Funding assistance shall be available to eligible commercial property and/or business owners who meet the requirements for section I and II. The maximum grant award that will be awarded will vary based upon needed improvements. ***The applicant will be required to contribute 5% of the grant amount of personal funds towards the approved improvements to the building.***

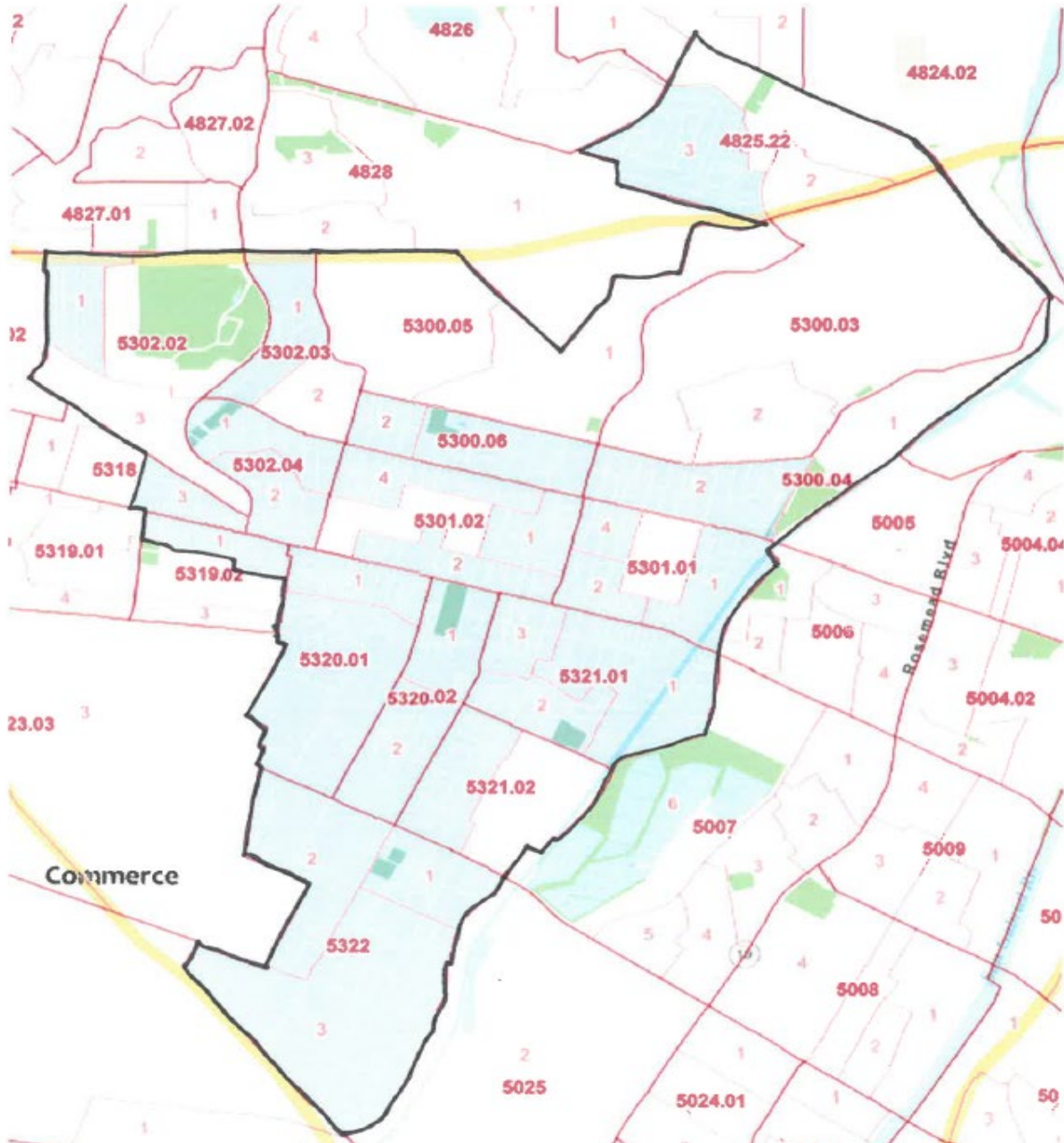
Grant funds may be used to pay for improvements of rehab work for the facade of a business. If the applicant withdraws his/her application for assistance or fails to implement the rehabilitation within 180 days after funds are used for payment of rehab services, the applicant shall be required to reimburse the City for all funds paid.

**D. Program Requirements**

Commercial businesses located in an eligible census tract/blocks are permitted to apply for available funding of the Program.

**CITY OF MONTEBELLO**

**2023 - 2024 CENSUS TRACT/BLOCK MAP**



\* City of Montebello. Commercial Façade Program Boundary. Blue shaded areas identify eligible census tracts and blocks within the City boundaries.

## **SECTION II – APPLICANT ELIGIBILITY REQUIREMENTS**

### **A. Property Ownership**

The applicant(s) must be either the current property owner(s) or the current business owner(s) (i.e. existing tenant) to be rehabilitated in order to be eligible for Program assistance. Business owner must obtain consent from current property owner. Individuals, partnerships, corporations, and other legal entities may apply for assistance. The existing grant deed must list all current owners of the property. Property owner(s) shall be construed to be any person(s) or legal entity that holds title to the subject property. In the case of multiple ownership, the signature of each titleholder is required on all appropriate documents. The City will verify property ownership and require all persons currently on title to give written consent to all work proposed to be performed on the property prior to initiating such work.

If both the property owner and business owner (tenant) apply for participation in the Commercial Façade Improvement Program, the owner of the property will have priority over the business owner.

### **B. Program Limitations**

If a building is occupied by one tenant occupant, the maximum number of applications is one per commercial façade.

### **C. Program Exclusions**

The following businesses are not eligible to receive Program assistance: residential, residential rental buildings (apartments), unless connected to a mixed-use building, home-based businesses, structures not facing the public right-of-way, banks, churches and other religious institutions.

### **D. Capacity**

Property owners or current business owners must be of legal age and must have the capacity to enter into legal binding contracts.

### **E. Conflicts of Interest**

No member of the City Council and any employee, official, or consultant who exercises any policy decision-making function about the program is eligible for program assistance.

## **SECTION III – PROPERTY ELIGIBILITY REQUIREMENTS**

### **A. Eligible Commercial Properties**

**To be eligible for the Program assistance, the property to be rehabilitated must be located within the City of Montebello, be located in a designated Low to Moderate Income level area, and meet the following requirements:**

- Commercial building must be dilapidated or blighted
- Business must be located within a low to moderate census tract/block
- Business must serve low to moderate income clientele
- Storefront must be visible from the street

## **B. Minimum Property Rehabilitation Standards**

All work performed under the provisions of this Program shall meet all applicable standards contained in the City's adopted zoning ordinance, local building and safety codes. The City's Municipal Code can be viewed on the City's web site at: <http://www.cityofmontebello.com>

## **C. Eligible Property Improvements**

The City has determined that the program assistance may only be used for exterior rehabilitation items.

Such exterior improvements may include, but are not limited to:

- Exterior façade treatments (stucco, brick veneer, paint removal, etc.)
- Awning, canopy, or other shade solution install
- Exterior painting of buildings visible from public right-of-way
- Facade/brick cleaning
- Signage repair or replacement
- Exterior doors
- Window replacement
- Exterior lighting
- Landscaping related to exterior features
- Permanent exterior signage

The following improvements are ineligible under this program:

- Any improvements not visible from the public right-of-way or publicly owned space
- Parking Lot resurfacing, paving or landscaping improvements
- Nonvisible mechanical equipment screening
- Interior improvements/remodeling
- Temporary, portable, or non-permanent improvements
- New construction
- Business operations-related costs
- Property acquisition, debt refinancing, expansion of building area, or conversion of building use
- Normal maintenance and repair
- HVAC repair/improvements
- Plumbing repairs/improvements

## **E. Design Restrictions**

Only improvements made to the street-facing portion of the building are eligible. Improvements are not eligible if they are simply maintenance of the current façade.

Program assistance can also be used for Building and Health Code violations, seismic upgrades, and American with Disabilities Act (ADA) compliance requirements as identified by the City. Additionally, to

participate in the Commercial Facade Improvement Program, all signage on the property to be rehabilitated must be brought up to conformance and maintained in conformance with the Sign Ordinance of the City.

## **SECTION IV - PROGRAM PROCEDURES**

### **A. Applicant Intake and Eligibility**

#### **1. Application and Required Documents**

Applications are available at the Montebello City Hall or online at [www.cityofmontebello.com](http://www.cityofmontebello.com). Each application must be completed in its entirety, signed, and submitted with all required documents as listed in the application, including a grant deed, signed proof of ownership or lease agreement. Applications will be reviewed in the order in which they were received. 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 and processed in that order. Applications will be subject to review by the Director of Planning & Community Development and the Housing Manager. Application may be subject to additional review when applicable. The City Staff will evaluate the applications based on the program's scoring criteria. Incomplete applications will not be processed until all requested information is submitted.

A notification letter will be sent to applicants concerning the approval or denial of the Application. Eligible applicants will be contacted to enter into an agreement with the City and schedule a property inspection.

#### **3. Required 5% Personal Contribution Payment**

The applicant will be required to submit a certified check payable to the City of Montebello to cover his/her contribution. The check will be deposited in an account for the project.

### **B. Property Inspection**

#### **1. Initial Inspection:**

A site visit will be arranged between the Planning & Community Development Department 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.

## **C. Contractor Selection**

### **1. Procurement:**

The City shall maintain a list of qualified contractors who have expressed interest in bidding on rehabilitation work and have been cleared by the State Contractors License Board and are not listed on the debarred, suspended or ineligible contractors list as per 24 CFR part 5. The City will coordinate with the property owner or business owner to obtain at least three (3) estimates from qualified contractors for each rehabilitation project. The property owner(s) or business owners shall be responsible for obtaining estimates for improvements. Estimates shall be submitted to the City in the prescribed form.

### **2. Selection**

The applicant will make the final contractor selection from among three (3) qualified contractors who submit construction estimates. As required by HUD, the award of the contract will be awarded to the lowest responsive and responsible bidder. In case where the applicant desires to award the construction contract to an approved contractor other than the lowest responsible bidder, the City may set the amount of the award equal to the amount of the bid of the lowest responsible bidder. The applicant shall be responsible for any difference in the cost of construction.

### **3. Minimum limits of Insurance for Contractor**

The Contractor shall, at its own expense, procure and maintain during the term of the contract each of the following:

#### **General Liability**

\$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

#### **Automobile Liability**

\$1,000,000 per accident for bodily injury and property damage.

Each policy of insurance shall:

- Be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California or which is approved in writing by the City.

- Name and list as additional insured the City, its officers and employees.
- Specify that such insurance acts as primary insurance.
- Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days prior written notice to the City of Montebello such cancellation or material change."

#### **4. Labor Compliance- Davis Bacon Requirements**

In accordance with CDBG Program Entitlement Grant Regulations, Davis-Bacon requirements apply to the rehabilitation of all commercial buildings and structures. All participating contractors must follow the requirements below:

- The Contractor must comply with the prevailing wage rates as determined by the State of California. Pursuant to the provisions of Section 1–3 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification or type of workman needed to execute this contract. These rates are available upon request. Contractor shall post a copy of such wage rates at the job site, and shall pay the adopted prevailing wage rates. The provisions of Section 1810 to 1815 of the Labor Code will be compiled with.
- All mechanics and laborers employed or working upon the site of the work in the construction or development of the project, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations under Copeland Act 29 CFR Part 3), the full amount due at time of payment computed as wage rates not less than those contained in the above determination, regarding of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. For the purpose of this clause, contributions made, or cost reasonably anticipated under section 1 (b) (2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subjected to the provisions of 29 CFR 5.5. (a) (1) (iv). Also, for the purpose of this clause, regular contributions made, or cost incurred for more than a weekly period under plans, funds, or programs, but covering the particular weekly period, are deemed to be constructively made or incurred during such weekly period.
- The Contractor shall not require nor permit any laborer or mechanic in any work week in which he is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic compensation at a rate not less than one and one-half ( 1 ½) times basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such week, as the case may be.



- The Contractor shall submit weekly a copy of all certified payroll to the City. The copy shall be accompanied by a statement signed by the employer and his agent indicating that the payroll is corrected and completed, that the wage rates contained therein are not less than those determined by the Director of the Department of Industrial Relationship and that the classification set forth for each laborer or merchant conforms with the work he performed. The prime contractor shall be responsible for the submission of copies of the payroll of all subcontractors. The Contractor will make the records required under labor standards clauses of the Contract available for inspection by authorized representatives of the City and Department of Labor and will permit such representative to review employees during working hours on the job. Contractors employing apprentices or trainees under approved programs shall include a notation on the first weekly certificate payroll submitted to the contracting agencies that their employment is pursuant to an approved program and shall identify the program. Payroll and basic records relationship thereto will be maintained by the Contractor while the work and preserved for a period of three (3) years thereafter for all laborers and mechanics working at the site of the work in the construction or development of the project.
- The Contractor shall insert in any subcontracts the required of this section and clause required any subcontractor to include these requirements in any lower tier subcontracts into which they may in turn be made.

## **5. Contractor Insurance/ License File**

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:

- Copies of the contractor's current liability and workers compensation insurance policies;
- Copies of the contractor's current California Contractor's License;
- All required Davis-Bacon information and certifications; and
- Copy of contractor's City Business License.

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.

## **6. Ineligible Contractors:**

- In accordance with CDBG guidelines, 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.

- 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.

## **D. 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 contract, for the approved rehabilitation work shall be prepared by the City and shall be entered into between the property owner and the selected contractor.

### **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 Meeting:**

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 applicable HUD requirement, 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 the Environmental Review Record has been completed.

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 and Safety Division.

- The contractor shall contact the Planning & Community Development Department to obtain all requirements for plan submittal to obtain building permits for the City's Building and Safety Division. Plans will be reviewed by the City's Building and Safety and Planning divisions. The contact information for the Development Services Department is as follows:

Planning and Community Development Department  
1600 W. Beverly Blvd.  
Montebello, CA 92870  
Phone: (323)887-1200 Ext 1454  
Hours: Monday – Thursday, 8:00 a.m. – 5:30 p.m.

## **E. Contractor Payments:**

### **1. Inspections**

To ensure the integrity of the authorized work, the Housing Manager and or designated staff shall conduct site inspections prior to the issuance of progress payments and prepare detailed inspection reports which identify any deficiencies in a contractor's materials or workmanship. Only one (1) progress payment and the final payment will be processed. The Housing staff shall make regular and/or unannounced inspections of work-in-progress to identify the quality of the work and assess owner satisfaction.

### **2. Payment Request Packages**

The Contractor shall submit a progress payment request package to the City in the prescribed format:

- All requests shall be signed by the contractor, property/business owner(s), and the Housing Manager, certifying that the work has been satisfactorily completed.
- All pertinent invoices, releases, certifications, list of subcontractors and material men, and copies of applicable permits shall be attached to the payment request.
- Final payment request shall also include the property owner's certification of acceptance, Building and Safety Department sign-off, and a Notice of Completion.
- Only one (1) progress payment request package shall be submitted to the City for approval. Progress payments will be paid for 90% of the job costs.
- The final payment for the 10% retention shall be paid 30 days after the Notice of Completion has been recorded.

## **F. Applicant Complaint Resolution Process**

Complaints concerning the Program should first be made to the Program Administrator (Housing Manager). If unresolved to the satisfaction of the applicant, an appeal may be made, in writing, to the Assistant Director of Community Development Department, 1600 W. Beverly Blvd. Montebello, CA 90640.

The City will contact the property owner and attempt to resolve the problem. A written response will be made within ten (10) working days. If the problem cannot be resolved, it will be presented to the Director of the Community Development Department for review and consideration. The decision of the Director shall be final.

## **G. 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 from the Los Angeles County Tax Assessor's Office 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 and Safety Division. 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).

## **SECTION VI: ADDITIONAL REQUIREMENTS**

### **A. City of Montebello Business License**

Applicants must have a current City of Montebello Business License to be eligible to apply for funding.

### **B. Fire and Flood Insurance Requirements**

Applicants are obligated to carry sufficient fire insurance coverage on the subject property to be rehabilitated under the provisions of this Program. Prior to any grant assistance, minimum fire insurance coverage shall be provided in an amount which is equivalent to the value of the subject building or structure including the proposed rehabilitation improvements. Uninsured applicants must obtain coverage in the required amount prior to receiving grant assistance. Applicants in a "Flood Hazard Area" will be required to purchase flood hazard insurance.

### **C. Substitution of Contractor**

In the event that the selected contractor shall fail or refuse to complete the work, in a professional and workman like manner, as set forth in the Rehabilitation Construction Contract, including its General Conditions and Standard Specifications, or fails to use due diligence in performing the required work, the applicant may terminate the Rehabilitation Construction Contract, upon providing a written notice to the City and Contractor. The City shall assist the applicant in completing the necessary termination document(s) as needed. No further rehabilitation is to commence until an agreement releasing the original contractor from his/her contractual obligations is on file with the City, and a new contract is signed between the substitute contractor and the property owner(s).

### **D. Non-commencement by Original Contractor**

The applicant shall notify the City in writing that the original selected contractor has failed to perform the rehabilitation work and the reason(s) why a substitute contractor has been requested. The applicant(s) shall obtain additional bids from contractors willing to perform the rehabilitation work. A new Rehabilitation Construction Contract, notice to proceed, and Waiver and Hold Harmless Agreement shall be prepared by the City and appropriately signed. The City shall inspect the job site and compile a

list of incomplete or unacceptable items to determine the extent of work to be completed by the substitute contractor. A meeting shall be held between the City, the applicant(s) and the original contractor to establish an amount and method of payment for any work which has been completed in accordance with the agreement. Funds withheld from the original contractor shall be identified. Lien releases and invoices from the original contractor and subcontractor(s) shall be provided. The City shall prepare a revised work write-up, based upon the inspection findings, which shall contain only those items necessary to complete the job. The applicant(s) shall obtain bids from contractors willing to perform such work, and to the extent possible, ensure that the new contract does not exceed available grant funding. A new Rehabilitation Agreement and Notice to Proceed shall be prepared by the City and appropriately signed.

**E. Maintenance Requirements**

By accepting grant funds, the applicant (s)' commits to properly maintain all improvements and to keep storefronts, as well as sides and back of buildings, clean and free of graffiti for a minimum of twenty (20) years at the property/business owner(s)'s expense. Any damage to the facade is to be repaired immediately by the applicant so that the building remains in good condition and positively contributes to the business area. On an ongoing basis, the applicant is required to touch-up painted areas and perform any other repairs needed to maintain building appearance including the annual cleaning of awnings (if applicable) at the property/business owner(s)'s expense.

**SECTION VII – AMENDMENTS**

Amendments to these guidelines may be made from time to time by the city. Vested authority shall be granted to the Director of Planning and Community Development Department or his/her designee to grant a minor waiver or make minor amendments to these guidelines, except for Federal regulations.