



Victorville

OLD TOWN COMMERCIAL FACADE IMPROVEMENT PROGRAM



POLICIES AND PROCEDURES MANUAL

City of Victorville
Economic Development Department
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Opportunities@victorvilleca.gov

DEFINITION OF PROGRAM TERMS

APPLICANT	Current Property Owner(s) of the subject property (does not need to be the current Business Owner). OR Business Owner(s) with Property Owner(s) consent (Co-application)
AREA	The designated region of the City eligible for Program funding.
DESIGN PRE-SUBMITTAL	The City's pre-submittal application can be found at https://www.victorvilleca.gov/government/city-departments/development/planning/getting-started .
BUSINESS OWNER	Any person, partnership, corporation, or legal entity renting or leasing and conducting business at the subject property. Also known as Applicant.
CITY OF VICTORVILLE ("CITY")	Lender and lien holder.
CONTRACTOR/ARCHITECT	Person or company performing approved eligible tasks for the construction project on the subject property. All parties must register in SAM.gov to obtain a Unique Entity ID. It is free to register.
FUNDING SOURCE	The United States Department of Housing and Urban Development ("HUD")
INSPECTOR	City of Victorville Building Inspector
PROGRAM	Loan in the form of a 2-year deferred no-interest forgivable loan available to qualified Property Owners within the designated Program Area for facade improvement.
PROGRAM ADMINISTRATOR	City of Victorville Economic Development Staff
PROPERTY OWNER	Any person, partnership, corporation, or legal entity that holds title to the subject property. Also known as Applicant.
PROGRAM AREA	As depicted in Exhibit A – Target Area Map
TENANT	Any person, partnership, corporation, or legal entity that rent or lease the subject property.

PROGRAM PROGRESSION

APPLICATION SUBMISSION	<p>Applicant(s) must be the Property Owner(s) or Business Owner(s) to be eligible for Program funding and building must be located within the designated Program Area (See Appendix A – Target Area Map).</p> <p>Business Owners must coordinate co-application submittal with the current Property Owner(s) to apply for the Program.</p>
APPLICATION REVIEW	<p>All applications will be reviewed for thoroughness and completion and to ensure that all eligibility documentation has been submitted by the Applicant(s). The Applicant(s) will be provided with a list of additional necessary documents, if applicable.</p>
APPLICATION RANKING	<p>Applications will be rated according to a City scoring system with only the top 5 scoring Applicants to receive funding.</p>
NOTIFICATION OF AWARD	<p>Applicant(s) will be provided written notification of approval or denial of funding by November 22, 2024.</p> <p>If funding is denied, the reasons for project denial will be provided, in writing, by November 22, 2024.</p> <p>Eligible Applicants will be contacted to enter into a forgivable loan agreement with the City and schedule a property inspection.</p>
DETERMINE REPAIR PRIORITIES	<p>In-house meeting to include Planning, Building and Economic Development staff to determine priorities, National Objective (HUD) and flexibility of repair priorities.</p>
PROPERTY INSPECTION	<p>Upon the determination of Program eligibility, a site visit will be arranged between the Planning Department, Building Department staff and the commercial Property Owner for an inspection of the building and to develop specifications for the Program.</p>
ARCHITECT BID PROCESS / SELECTION	<p>Property Owner will request bids from a minimum of three Architects. Property Owner may select the Architect that best meets their requirements, but Program funding is limited to the lowest bid. Property Owner will submit all bids, including the selected bid, along with the Bid Acceptance Form to the City to determine cost reasonableness.</p> <p>City staff will confirm that the selected Architect's State of California license is active, and that they can meet and comply with the minimum standards relating to insurance and bonding requirements.</p>
PRE-DESIGN MEETING	<p>The purpose of the pre-design meeting is to explain all applicable HUD requirements, explain Program requirements and procedures, coordinate and schedule the work start date, and answer questions related to contract documents. At this meeting, the parties will sign the appropriate contract documents.</p>
DESIGN PRE-SUBMITTAL	<p>The purpose of the Design Pre-Submittal meeting is to ensure that the Architect's renderings are in conformance with Old Town Specific Plan design guidelines.</p>
COMMENCEMENT OF DESIGN DEVELOPMENT	<p>Upon execution of the Loan Agreement, Architect Contract, and Notice to Proceed Form, the Architect will be allowed to carry out the required work.</p>

<p style="text-align: center;">ARCHITECT REIMBURSEMENT</p>	<p>Program funds will be disbursed to the Architect, not the Property Owner, once the designs have been submitted and approved by the Planning Department process. Program funds will be disbursed upon the issuance of a Notice of Completion issued by City staff.</p>
<p style="text-align: center;">CONTRACTOR BID PROCESS / SELECTION</p>	<p>Property Owner will request bids from a minimum of three Contractors. Property Owner may select the Contractor that best meets their requirements, but Program funding is limited to the lowest bid. Property Owner will submit all bids, including the selected bid, along with the Bid Acceptance Form to the City to determine cost reasonableness.</p> <p>City staff will ensure that the selected Contractor is not on the HUD debarment list, that their contractor's license is in good standing with the California State Contractors License Board, and that they can meet and comply with the minimum standards relating to license, insurance, and bonding requirements.</p>
<p style="text-align: center;">PRE-CONSTRUCTION MEETING</p>	<p>The purpose of the pre-construction meeting is to explain all applicable HUD requirements, explain Program requirements and procedures, coordinate and schedule the work start date, and answer questions related to contract documents. At this meeting, the parties will sign the appropriate contract documents.</p>
<p style="text-align: center;">ENTITLEMENT AND PERMITS</p>	<p>Contractor will obtain the necessary permits and the City's approval to commence development of the Project.</p>
<p style="text-align: center;">COMMENCEMENT OF CONSTRUCTION</p>	<p>Upon execution of the Loan Agreement, Construction Contract, and Notice to Proceed Form, and obtaining entitlements and permits, the Contractor will be allowed to carry out the required work.</p>
<p style="text-align: center;">PROJECT COMPLETION</p>	<p>The Inspector will conduct a final inspection to ensure all construction is complete and in compliance with all applicable building codes and rehabilitation standards.</p> <p>Upon complying with all local codes and rehabilitation standards, the Property Owner, Contractor, and Inspector will sign the Acceptance and Approval of Completed Work form. Signature by all parties authorizes the direct payment from the City of Victorville to the Contractor.</p>
<p style="text-align: center;">CONTRACTOR REIMBURSEMENT</p>	<p>Program funds will be disbursed to the Contractor, not the Property Owner, once the construction of the City approved improvements have been completed and inspected by City staff. Program funds will be disbursed upon the issuance of a Notice of Completion issued by City staff.</p> <p>Progress payments may be made on a case-by-case basis.</p>

If the Applicant withdraws his/her application for funding or fails to implement the rehabilitation within 180 days (6 months) after funds are used for payment of architectural services and/or City fees, the Applicant shall be required to reimburse the City for all funds paid to the Architect and/or City within 15 days or the City will place a lien on the property for architectural design. If the project is in process but not near completion at the end of

the 6-month period, the City, at its discretion, may provide for an extension for up to an additional 6 months for a total project timeline of up to 365 days (1 year).

BACKGROUND

The City of Victorville's Old Town Specific Plan ("Plan") celebrates Victorville's Route 66 heritage and provides the framework to develop Old Town as a mixed-use, pedestrian-friendly environment that is the focus for new higher-intensity development in the City.

The vision for Old Town is to become a distinct place that attracts people, activities and commerce along the 7th Street corridor and reflects a contemporary take on the City's historic Route 66 heritage. Specialty retail uses like antique stores, cafes, restaurants, and small grocery stores would further enhance the retail experience in the area.

In support of the Plan's vision, the City of Victorville ("City") is providing funding to eligible commercial Property Owners to make facade improvements that conform to the vision of the Plan and promote an attractive environment for future growth.

PROGRAM OVERVIEW, PURPOSE, AND OBJECTIVE

The City is currently offering the Old Town Commercial Facade Improvement Program to assist qualified commercial Property Owners to enhance the appearance of their storefronts in the Old Town Target Area ("Area"). These properties must have visible storefronts along the designated 7th Street and D Street commercial corridors (see Appendix A - Area Map).

The Program will provide funding in the form of a forgivable 2-year deferred, no interest forgivable loan available to qualified commercial Property Owners to make eligible facade improvements, correct certain code violations and/or make ADA improvements to commercial buildings located in the Area.

The objective of the Program is to facilitate commercial revitalization, stimulate private investment, preserve, and beautify commercial corridors and improve the visual aesthetics of commercial building facades. By stimulating private investment and customer patronage, the Program adds value to the City's economy and enhances the community by encouraging new businesses, jobs, and pedestrian traffic to the Area.

The Program is intended to assist projects that promote retail activities, create an attractive environment, encourage neighborhood character and architectural design, use quality materials, and incorporate good design concepts.

The City reserves the right to revise these guidelines at any time, without notice, based on the community needs as deemed necessary by City officials.

PROGRAM FUNDING

In accordance with U.S. Department of Housing and Urban Development ("HUD") Regulations 24 CFR 570.280(a)(1)(v), the City meets the national objective for facade improvements in neighborhood commercial districts. The Program is being funded by the HUD Community Development Block Grant ("CDBG") Fiscal Year 2024-2025 Program

funds. Annually, the City receives CDBG funds to meet community development needs and to provide aid in the removal of blight, particularly in low- and moderate-income areas.

Program funding is provided as a forgivable two (2) year zero percent (0%) interest deferred loan in an amount up to \$50,000. Loans and interest will be secured as a silent-second for a term of two (2) years with 0% interest rate (annually). Loan may be forgiven in two (2) 1-year increments of up to \$25,000 each if Property Owner(s) hold title, conduct business at the property for the full two years of the term of the Note, and/or maintain the property in leasing condition with proof of commercial lease advertising.

Loan Terms and Conditions

Term: (2) years

Interest Rate: Zero percent (0%) simple interest (annually)

Repayment: No monthly payments. Loan forgiveness – upon the 2nd year, the loan may be forgiven. Loan will be forgiven in two (2) 1-year increments of \$25,000 each. To qualify for forgiveness, the Applicant must continuously own and conduct business at the property for the term of the loan. The loan must be repaid in full to the City upon the earliest occurrence of the following: 1) sale; 2) transfer of title or death of Applicant; 3) Applicant ceases to conduct business in the building; 4) Applicant refinances the property for cash-out or equity line of credit; 5) property has existing code enforcement violations; 6) illegal business operations are being conducted at the property.

Security: The City's funding will be in the form of a silent-second recorder no lower than a second Deed of Trust. Deed of Trust and Promissory Note will also be secured on the property.

The City has the option to deny or cancel any application based on the Applicant's failure to provide accurate information, as requested, and/or failure to adhere to Program requirements or funding in a timely manner.

The City may approve additional funding for projects that require significant improvements, as supported by documentation from the City's Development Department. In this instance, an Applicant can re-apply for the Program when the application period re-opens. If approved by the City, the terms and conditions will change as follows:

Term: (4) years

Interest Rate: Zero percent (0%) simple interest (annually)

Repayment: No monthly payments. Loan forgiveness – upon the 4th year, the loan may be forgiven. Loan will be forgiven in four (4) 1-year increments. To qualify for forgiveness, the Applicant must continuously own and

conduct business at the property for the term of the loan. The loan must be repaid in full to the City upon the earliest occurrence of the following: 1) sale; 2) transfer of title or death of Applicant; 3) Applicant ceases to conduct business in the building; 4) Applicant refinances the property for cash-out or equity line of credit; 5) property has existing code enforcement violations; 6) illegal business operations are being conducted at the property.

Security: The City's funding will be in the form of a silent-second recorder no lower than a second Deed of Trust. Deed of Trust and Promissory Note will also be secured on the property.

APPLICANT AND PROPERTY ELIGIBILITY REQUIREMENTS

In accordance with U.S. Department of Housing and Urban Development ("HUD") Regulations 24 CFR 570.280(a)(1)(v)570(b)(1), the City meets the national objective for facade improvements in neighborhood commercial districts. Only properties located in the designated Area are eligible to apply for the Program (see Exhibit A - Area Map).

The City will be accepting applications beginning September 16, 2024 and ending September 30, 2024. Applications are available on the City's website at Victorvilleca.gov/OTFacadeProgram. Each application must be completed in its entirety, signed, and submitted with all required documents as listed in the application. Applications are not considered complete until all required documents have been submitted. Incomplete applications will not be reviewed.

The application review period will begin on October 21, 2024 and end on November 15, 2024. Applications will be reviewed in the order in which they are received and the City will determine the funding priority. Notification of awards or denials will be sent via email to the Applicants by November 22, 2024.

The Applicant must be the current Property Owner(s), however does not need to be the current Business Owner(s) to be eligible for funding through the Program. Business Owners must coordinate the application submittal with the current Property Owner(s) to apply for the Program.

The City will complete a credit report to verify creditworthiness. All Applicants must be creditworthy to qualify. An Applicant will not be creditworthy if any of the following apply:

- The Applicant has filed bankruptcy within the past 3 years
- The Applicant is not current on all property taxes
- The property is in foreclosure or short sale process
- The Applicant or Business Owner has no monthly income

To be able to receive a loan, the Applicant must meet one of the following income qualification requirements (A1) Income Qualification, (A2) Low Moderate Jobs Activities or (A3) Match Qualification as well as qualification requirements B through F:

A. Applicant

1. Income Qualification

The Applicant(s) must qualify as a low-income Property/Business Owner conducting business at the property. To determine household income for all Applicants, the City will use the Annual Income determination method as defined by HUD at 24 CFR Part 5.609. All persons on the grant deed to the principal household and all persons living in the principal household are considered household members for the purposes of determining income eligibility. The gross annual income for all household members cannot exceed 80 percent of the area median income adjusted for household size as published annually by HUD.

2024 HUD INCOME GUIDELINES	
Family Size	Max Income
1	\$57,400
2	\$65,600
3	\$73,800
4	\$82,000
5	\$88,600
6	\$95,150
7	\$101,650
8	\$108,250

2. Low Moderate Jobs Activities

The Applicant(s) is the Business Owner conducting business at the property and is applying in coordination and with permission of the Property Owner. The Business Owner must provide permanent jobs where at least 51% of employees, computed on a full-time equivalent basis, involves the employment of low- to moderate income persons.

Full-time employees can be determined as an employee who is employed at least 30 to 40 hours per week or a combination of employees, who are counted as the equivalent of a full-time employee.

Business employees must complete and sign a self-certification (“Employee Beneficiary Form”) indicating household size, income, ethnicity, race and acknowledgment and disclaimer.

In addition, the Applicant will provide a written, signed statement committing that 51% of permanent full-time jobs available will be provided to low- and moderate-income persons and will provide training for any of those jobs requiring special skills or education for a minimum of one year from the funding date.

This written statement must contain:

- A listing by job title of jobs available to low- and moderate-income persons
- A list of which jobs require special skills or education
- A list of which jobs are part-time
- A description of actions to be taken to ensure that low- and moderate-income persons receive first consideration for these jobs
- A listing by job title of jobs filled and which jobs were available to low- and moderate-income persons
- A description of how first consideration has been given to low- and moderate-income persons for jobs including type of hiring process, names of the low- and moderate-income persons interviewed for each job, and those hired
- Other items as deemed necessary by HUD or the City

3. Match Qualification

If the Applicant(s) is a Property Owner that does not qualify, based on Option 1 or 2, the Applicant(s) may qualify by matching funds to participate in the Program. The match must be at least 25% of the City Funds.

B. Property/Business Ownership

The Applicant must be the current Property Owner(s) or Business Owner(s) coordinating with the Property Owner(s). Individuals, partnerships, corporations, and other legal entities may apply for funding. All Property Owners on the grant deed must apply and qualify. If there are multiple owners, the signature of each titleholder is required on all Program documents. The City will verify property ownership and require all persons on the title to give written consent to all work proposed prior to initiating the work.

C. Eligible Commercial Properties

To be eligible for the Program, the property must be located in the Program Area (See Appendix A – Map) of the City of Victorville and meet the following requirements:

- Commercial building must be dilapidated or blighted, or have health/safety violations
- Storefront must be visible from the streets located on a main commercial corridor as depicted in Appendix A

D. Property Rehabilitation Standards

All work performed under the provisions of this Program must meet all applicable standards included in the City's adopted zoning ordinance as well as local building and safety codes and must conform to the Old Town Specific Plan. The City's

Municipal Code and Zoning Ordinances and Old Town Specific Plan can be viewed on the City's website at www.victorvilleca.gov.

Rehabilitation work must be done in accordance with the City of Victorville Old Town Specific Plan ("OTSP"). The finished rehabilitation work must be free of any Health and Safety Code, Building Code, State, and local code violations, and conform to the City's Old Town Specific Plan.

E. Eligible Property Improvements

Twenty percent (20%) of all project costs are projected for ADA requirements and other requirements deemed necessary by the City's Development Department.

Program funds may only be used for exterior rehabilitation elements. Eligible exterior improvements include, but are not limited to:

- Exterior refinishing
- Signage
- Awnings
- Fencing
- Windows
- Doors
- Lighting
- Paint
- Landscaping
- Decorative improvements
- Health & Safety Code corrections
- Code Enforcement corrections
- Mechanical equipment enclosures
- Parking lot resurfacing
- ADA improvements or access

Ineligible improvements include:

- Recreational items such as barbecues, bathhouses, greenhouses, swimming pools, saunas, television antennas, tennis courts
- Burglar protection bars, kennels, murals, flower boxes or flowerpots, storage sheds/workshops, freestanding appliances
- Building additions or extensions
- Internal improvements/remodeling
- Temporary, portable, or non-permanent improvements
- New construction
- HVAC repair/improvements
- Plumbing repairs/improvements

- Payment, repayment, or refinance of existing debt or to pay operating deficits, tax arrearages, governmental violations, fines and penalties or general governmental expenses
- Relocation expenses
- Political activities

F. Design Restrictions

All design elements of the project must conform to the Old Town Specific Plan which can be located on the City's website at www.victorvilleca.gov. The City reserves the right to determine nature, extent, degree, and priority of all the improvements proposed.

City staff will recommend specific improvements based on site analysis or architectural design recommendations. Applicants must incorporate two or more eligible improvement elements. 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 facade.

Funds may be used to pay for improvements, architectural renderings, and building plan check and permit fees associated with the rehabilitation work proposed under the Program.

Program funding must be used for Building and Health Code violations and Americans with Disabilities Act (ADA) compliance requirements as identified by the City of Victorville. If the Applicant has not secured an Architect and it is determined by the City's Development Department that the project requires significant ADA improvements or other significant property improvements, an Architect will be necessary due to the complexity of the project.

To participate in the Program, all signage on the property must be brought to conformance and maintained in conformance with the OTSP. In addition, all improvements must be physically attached to the property and permanent in nature.

To qualify and to be eligible, no work shall commence prior to:

1. Application approval
2. Full execution of Architect/Contractor Agreement for work to be done
3. Full execution of Program loan documents, including Deed of Trust and Promissory Note
4. Issuance of a Notice to Proceed by the City

PROGRAM EXCLUSIONS

The following properties and businesses are not eligible to receive Program funding:

- Residential rental buildings (apartments), unless connected to mixed use building

- Home-based businesses
- Racetracks, gambling facilities or adult oriented businesses
- Cannabis or marijuana dispensaries and manufacturing
- Structures not facing the public right-of-way
- Banks
- Churches and other religious institutions
- Vacant Lots

PROGRAM PROCEDURES & REQUIRED DOCUMENTATION

Interested Applicants may apply for the Program by completing the application available online at Victorvilleca.gov/OTFacadeProgram and submitting all required documentation to the Economic Development Department. Applications will be reviewed in the order they are received.

If an Applicant has previously received a loan from the City of Victorville under this Program, and can demonstrate that additional funding is needed for significant ADA requirements or other requirements deemed necessary by the City's Development Department, the Applicant may re-apply for additional funding to complete their project.

Based on the qualifying option applied for, the required documentation that must be attached to the application is as follows:

Option 1 – Owner Income Qualification Checklist

Household

- Copy of Applicant(s) California Driver's License/identification card and Social Security Card
- Copy of Social Security card for all members of the Applicant(s) household
- Copy of Applicant(s) signed 2023 State and Federal Income Tax returns for all working household members over the age of 18 or complete an IRS tax form 4506-T Request for Transcript of Tax Return
- Completed and signed Household Size Affidavit
- If Applicant(s) is currently employed, attach copies of the last three (3) paycheck stubs
- If Applicant(s) is self-employed, attach a copy of the most recent profit and loss statement, balance sheet and cash flow statement
- If Applicant(s) is receiving Social Security, annuities, insurance policy benefits, retirement funds, pensions, unemployment, disability or death benefits, worker's compensation, severance pay, alimony, child support, or Armed Forces income, attach a copy of the entitlement letter or equivalent
- If Applicant(s) is receiving Aid to Families with Dependent Children (AFDC) or other public assistance, attach a copy of the benefit statement from the Department of Social Services or other agency that states the amount of benefits
- Copies of three (3) of the most recent monthly bank statements for each account for all working household members over the age of 18. If you have more than one

bank account, provide copies of the three (3) most recent bank statements from each account

Property/Business

- Copy of the recorded Grant Deed, copy of the most recent Property Tax Bill and current Mortgage Statement, if applicable
- Copy of two (2) of the most current utility bills for two consecutive months (i.e. water, gas, telephone, or electricity bill)
- Copy of Property Owner's insurance policy
- Copies of three (3) most recent monthly bank statements for each account (business). If you have more than one bank account, provide copies of the three (3) most recent bank statements from each account
- Copy of Applicant(s) signed 2023 State and Federal Income Tax returns complete an IRS tax form 4506-T Request for Transcript of Tax Return. If not available, please complete and sign an Income Tax Affidavit
- Completed and signed Right of Entry
- SAM Unique Entity ID (if the Applicant(s) does not have this number, please apply at <https://federal.famr.us/sam-gov>)
- Satisfactory credit history of Property/Business Owner(s) (City will perform a credit verification)
- Business Description Form
- Copy of Business License
- Copy of Certificate of Occupancy
- 12-month Cash Flow Statement
- IRS W-9 Form – Request for Taxpayer Identification and Certification

Option 2 – Low Moderate Jobs Activity Checklist

Property Owner(s):

- Copy of California Driver's License/identification card and Social Security Card
- Copy of signed 2023 Federal Income Tax return or complete an IRS tax form 4506-T Request for Transcript of Tax Return
- Copy of the recorded Grant Deed, copy of the most recent Property Tax Bill and current Mortgage Statement
- Copy of two (2) of the most current utility bills for two consecutive months (i.e. water, gas, telephone, or electricity bill)
- Copy of Property Owner's insurance policy
- Copies of three (3) most recent monthly bank statements for each account (business and personal). If you have more than one bank account, provide copies of the three (3) most recent bank statements from each account
- Complete and sign the Income Tax Affidavit and Right of Entry
- Notice of code violation, if applicable
- SAM Unique Entity ID (if the Applicant(s) does not have this number, please apply at <https://federal.famr.us/sam-gov>)

- Satisfactory credit history of Property Owner(s) (City will perform a credit verification)

Business Owner(s)/Operator(s):

- Copy of Business License
- Copy of Certificate of Occupancy
- Business Description Form
- Employee Beneficiary Form for each employee
- Written statement committing that 51% of permanent full-time jobs available will be provided to low- moderate income persons
- W-4 for each employee
- 12-month Cash Flow Statement
- IRS W-9 Form – Request for Taxpayer Identification and Certification
- Copies of three (3) most recent monthly bank statements for each account. If you have more than one bank account, provide copies of the three (3) most recent bank statements from each account
- Copy of two (2) of the most current utility bills for two consecutive months (i.e. water, gas, telephone, or electricity bill)
- Copy of Applicant(s) signed 2023 Federal and State Income Tax return or complete an IRS tax form 4506-T Request for Transcript of Tax Return
- SAM Unique Entity ID (if the Applicant(s) does not have this number, please apply at <https://federal.famr.us/sam-gov>)
- Satisfactory credit history of Property Owner(s) (City will perform a credit verification)
- Copy of current lease agreement

Option 3 – Match Qualification Checklist

- Copy of Applicant(s) California Driver's License/identification card and Social Security Card
- Copy of Applicant(s) signed 2023 Federal Income Tax return or complete an IRS tax form 4506-T Request for Transcript of Tax Return
- Copy of the recorded Grant Deed, copy of the most recent Property Tax Bill and current Mortgage Statement, if applicable
- Copy of two (2) of the most current utility bills for two consecutive months (i.e. water, gas, telephone, or electricity bill)
- Copy of Property Owner's insurance policy
- Copies of three (3) most recent monthly bank statements for each account (business and personal). If you have more than one bank account, provide copies of the three (3) most recent bank statements from each account. If not available, complete and sign an Income Tax Affidavit
- Completed and signed Right of Entry
- Notice of code violation, if applicable
- SAM Unique Entity ID (if the Applicant(s) does not have this number, please apply at <https://federal.famr.us/sam-gov>)

- ❑ Satisfactory credit history of Property Owner(s) (City will perform a credit verification)

VERIFYING & DOCUMENTING ELIGIBILITY

- Staff will review all applications for thoroughness and completion
- Staff is responsible for ensuring that all eligibility documentation has been submitted by the Applicant
- Applications will be reviewed and rated according to a City scoring system with only the top 5 scoring Applicants to receive funding

REVIEW AND EVALUATION PROCESS

Upon verification of business eligibility, the City will provide the Property Owner with a list of additional necessary documents, if applicable.

Upon receiving all necessary documentation, the City will rank and score all completed applications. Only the top 5 scoring applications will be invited to participate further in the Program.

Applications to the Program will be evaluated by City Staff with ratings from 1 to 4 (4 being the highest and 1 being the lowest) in the following categories:

- Income Qualification and/or Qualification by Low Moderate Job Activities – Applicant must qualify as either low income or the employer of low-income persons
- Visibility – Certain buildings and businesses are important to Old Town’s character because of their location, size and/or architectural details
- Design – Aesthetic need to enhance building and surrounding properties in accordance with the Old Town Specific Plan guidelines
- Sustainability/Permanence – Some improvements have a greater lasting value than others and will remain relevant to the property over time. Priority will be given to projects with significant permanence
- Community Contributions – Businesses that focus on the community encourage a positive place for people to live, visit, work, and play. Priority will be given to businesses that actively give to the community
- Business Financials – Businesses that are financially sound based on 12-month Pro-Forma
- Prior Applicant – Applicant re-applying as project requires significant ADA or other improvements as deemed necessary by the City’s Development Department

The following criteria will be considered as a basis of assigning priority to applications:

- Properties that historically have been targeted for graffiti and/or are prone to blight
- Businesses that provide significant value to the Area
- Properties that are adjacent to new public facilities such as a parking structure

- Projects that involve a historical restoration/renovation of a building

The City will maintain a waiting list for all prospective participants. Incomplete applications will not be processed. Applicant will be provided written notification of approval or denial of funding. If funding is denied, the reasons for project denial will be provided, in writing, within 30 days of the decision. Eligible Applicants will be contacted to enter into an agreement with the City and schedule a property inspection.

FRAUDULENT APPLICATION

If an Applicant knowingly makes a misstatement or omission in any statement, document, or application in connection with the Applicant's application for Program funding, as determined at the sole discretion of the City, the Applicant will be disqualified from the Program.

INSPECTION PROCEDURES

When Program eligibility has been determined, a site visit will be arranged between the Building Department staff and the Property Owner, to undertake an inspection of the building and to develop specifications for the Program. A City Building Inspector will inspect the property to ensure that the building meets code requirements for the exterior of the building.

If City staff finds code violations during the initial inspection, the Property Owner 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 to ensure the property is up to code.

The City Inspector implements the following steps:

- Conducts property inspections to ensure that the property is brought into conformance with the City of Victorville's rehabilitation standards and addresses the code violations on record
- Determines ADA and other requirements as deemed necessary by the City's Development Department
- Prepares Project Scope of Work and priority items that accurately describes the existing conditions and necessary repairs and improvements
- Evaluates submitted bids in relationship to the cost estimate and documents the process employed to determine cost reasonableness
- Requires that the Contractor complete the work in accordance with the approved permit bid and approved work schedule

The Property Owner is provided with a Scope of Work that includes:

- Scope of Work
- Construction method
- Quantity and quality

- Site address

CONFLICT OF INTEREST

No member of the governing body of the City and any other official, employee, or agent of the City Government who exercises policy, decision-making functions, or responsibilities in connection with planning and implementation of the Program will be directly or indirectly eligible for Program funding. This restriction will continue for one (1) year after an individual's relation with the City ends.

ARCHITECT/CONTRACTOR BID PROCESS/SELECTION OF ARCHITECT/CONTRACTOR

All eligible Property Owners will be provided with the following information:

- City courtesy list of Architects/Contractors
- What You Should Know Before You Hire a Contractor Booklet

Designs are required for each project. The Property Owner will request bids from a minimum of three Architects. Each Architect will complete the Project Scope of Work Document and submit it to the Property Owner. As design work cannot begin before an agreement is executed, the estimate may be in the form of a range. The Property Owner may select the Architect that best meets their requirements and must be the lowest bid. If the Property Owner selects a bid that is not the lowest bid, they may pay the difference between their selected Architect and the lowest bid. The Property Owner will submit all bids, including the selected bid, along with the Bid Acceptance Form to the City to determine reasonableness. For Property Owners that are re-applying for additional funding for their projects due to significant ADA improvements or other improvements deemed necessary by the City's Development Department, an Architect will be required due to the complexity of the project.

City staff will ensure that all participating Architects selected under the Program are in good standing with the California State Architects Board and that they can meet and comply with the minimum standards relating to insurance and bonding requirements.

Designs must be in accordance with the Old Town Specific Plan which can be found on the City's website at www.victorvilleca.gov. The Old Town Specific Plan serves as a tool for revitalization of Old Town, presenting an opportunity to transform the district into a unique, vibrant, mixed-use focal point for the region. The Plan also encourages new businesses and jobs to locate in Old Town and implements standards and guidelines to promote an attractive and pedestrian-oriented Old Town that reflects its historic character.

Upon selection and City approval of the Architect, the City will notify the selected Architect of the award of the loan and will establish date, time, and place for the pre-design meeting. The pre-design meeting will include Economic Development staff, Planning Department staff, Property Owner(s) and Architect. The purpose of the pre-design meeting is to explain all applicable HUD requirements, explain all Program requirements and

procedures, coordinate and schedule the work start date, and answer questions related to contract documents. At this meeting, the parties will sign the appropriate contract documents, and the Property Owner and Architect can commence with design development.

A design pre-submittal meeting will be scheduled to include Economic Development staff, Planning Department staff, Property Owner(s) and Architect to finalize the design based on the City's Old Town Specific Plan, City Municipal Code, and other requirements as required by the City of Victorville Planning Division.

Once the project design has been approved, the Property Owner is ready to select a Contractor, the Property Owner will request bids from a minimum of three Contractors. Each Contractor will complete the Project Cost Estimate/Bid document and submit it to the Property Owner. The Property Owner may select the Contractor that best meets their requirements and must be the lowest bid. If the Property Owner selects a bid that is not the lowest bid, they may pay the difference between their selected Contractor and the lowest bid. The Property Owner will submit all bids, including the selected bid, along with the Bid Acceptance Form to the City to determine cost reasonableness. The selected Contractor must give a one-year guarantee on all labor and materials to the Property Owner. The Contractor is responsible for obtaining all required permits and will perform the work in accordance with the OTSP, City Municipal Code and other requirements provided by the Planning Department, all of which can be found on the City's website at www.victorvilleca.gov and must furnish all necessary labor, tools, materials, appliances, and equipment to perform the work for the repairs specified in the bid.

City staff will ensure that all participating Contractors selected under the Program are not on the HUD debarment list and that their contractor's license is in good standing with the California State Contractors License Board.

All owner/builders, or any member of the Property Owner's family or extended family, are considered ineligible, regardless of credentials or license.

All documentation will be required to meet and comply with the minimum standards relating to license, insurance and bonding requirements and includes the following:

- Copy of contractor's current liability and worker's compensation insurance policies
- Copy of contractor's City Business License
- Subcontractor's list, if applicable

As required by HUD, the award of the contract will be awarded to the lowest responsive and responsible bidder. In the event the Property Owner desires to award the construction contract to an approved Contractor other than the lowest responsive bidder, the City will set the amount of the award equal to the amount of the bid of the lowest responsive bidder and the Property Owner will be responsible for any difference in the cost of construction.

Pursuant to CDBG Program Entitlement Grant Regulations, Davis-Bacon requirements apply to the rehabilitation of all commercial buildings and structures. All contractors must

comply with the wage and labor standard requirements pursuant to the Davis-Bacon Act for all projects over \$2,000.

Final responsibility for the selection of a Contractor rests with the Property Owner. The Property Owner shall not discriminate based on race, color, religion, sex, national origin, age, handicap, or familial status in the selection of Contractor(s). Once the Property Owner selects a Contractor, they shall transmit the Bid Acceptance Form to City staff along with all bids (including the selected bid) for approval.

OWNER PARTICIPATION AGREEMENT

Property Owners that have qualified for the Program will enter into an Owner Participation Agreement with the City prior to the beginning of the project. This agreement outlines the terms and conditions of the Program loan as well as the commitment by owner with respect to the Program.

For Property Owners that are re-applying for additional funding to complete their projects, the original Owner Participation Agreement and Deed of Trust will be amended to include any additional funding.

ESCROW HOLDBACK AGREEMENT FOR MATCHING OF FUNDS

Property Owners that have qualified for the Program under Option 3 (Match Qualification) will enter into an Owner Participation Agreement and Hold Back Agreement and Instructions with the City, as well as an Escrow Hold Back Agreement with the City's chosen Escrow Holder.

Within 5 business days of signing the Escrow Hold Back Agreement with the Escrow Holder, the Property Owners will be required to deposit their Match with Escrow Holder in the amount of up to \$12,500 based on quoted project costs. Any Property Owner Match funds not used will be released to the Property Owner upon receipt of a Final Completion Notice to the Escrow Holder, and after a Deed of Trust has been executed and recorded against the Owner's property.

DESIGN AND CONSTRUCTION CONTRACTS

The Property Owner may submit to the Program Administrator their desired design or vision for their property for consideration by the City. The Architect will complete a design proposal. This would typically include measurements of significant features of the existing and proposed elevations, construction details, specifications for materials and hardware, and specific colors and finishes as defined by the Old Town Specific Plan.

The contract between the Property Owner and the Architect is standardized to consistently cover both City and Federal requirements. However, the contract may be customized to cover considerations that are unique to the project being funded. The standard provisions of the design contract are as follows:

- Scope of Work
- Term of Agreement
- Architect's Responsibilities
- Owner's Responsibilities
- Payments and Compensation to the Architect
- General Conditions
- Bonds and insurance
- Guaranty

The contract between the Property Owner and the Contractor is standardized to consistently cover both City and Federal requirements. However, the contract may be customized to cover considerations that are unique to the project being funded. The standard provisions of the construction contract are as follows:

- Contract Documents
- Scope of Work
- Payment
- Time of completion of project
- Final completion date
- Plans, specifications and permits
- Workmanship
- Guaranty
- Bonds, labor, and materials
- Clean-up
- Incorporated documents to be considered complementary
- Protection of work and equipment
- Workdays
- Delays
- Definition of allowable delays
- Insurance
- Contractor's liability
- Resolution of disputes
- Non-discrimination
- Contract Work Hours and Safety Standards Act
- Copeland "Anti-Kick Back" Act
- Liquidated damages
- Termination for cause
- Ethnic and gender information

COMMENCEMENT OF REPAIRS

All Contractors must be approved by the City and are required to sign the Notice to Proceed Form acknowledging the necessary work, amount to be paid for work and understanding of the City's payment system. Repair work will not exceed the approved Project Cost Estimate/Bid amount without written authorization by the City. The Property

Owner is solely responsible for any work or costs exceeding the City's scope of work and the approved bid amount. If the Contractor cannot perform the work for the accepted bid amount, the Property Owner may choose to pay the difference or choose another Contractor who can perform the work within the City's estimated scope of work and for an amount not to exceed the Program cap of \$50,000. The City may award additional funds for projects that require significant ADA requirements or other requirements as deemed necessary by the City's Development Department.

The Property Owner will complete the Notice to Proceed Form including signature, authorizing commencement of the work itemized therein. The City will not process an incomplete or unsigned form or application and will not be committed to fund repair work prior to the City's execution of the Notice to Proceed Form.

After the Property Owner has signed and submitted the Notice to Proceed Form to staff, changes may be authorized by the City only for change orders resulting from physical conditions concealed during the initial inspection and exposed during construction, the identification of additional repair items not previously noticed, or to reduce the amount of requested funding to be in compliance with the Program cap of \$50,000.

Upon execution of the Loan Agreement, Construction Contract, and Notice to Proceed Form, the Contractor will then be allowed to obtain all necessary City permits and carry out the required work.

PRIVATE ARRANGEMENTS

The City cautions the Property Owner and the Contractor not to enter into "side deals" for additional work or deviations from the approved scope of work.

RESOLUTION OF DISPUTES

Any disagreement arising out of the construction contract between the Property Owner and the Contractor shall be submitted to the Program Administrator in writing for resolution. The Program Administrator shall select a staff member to act as an impartial third party, a mediator. The mediator shall facilitate the resolution of disputes by assisting the parties in reaching a mutually acceptable resolution.

Selection of the mediator will be based on knowledge and experience with the Program. The mediator shall avoid conduct that gives the appearance of partiality or prejudice behavior based on the parties' personal characteristics, background, or performance at the mediation. Any resolution(s) shall be in accordance with the Program policies and procedures.

Any disagreements not resolved by the City appointed mediator shall be submitted to an arbitration service for resolution pursuant to the requirements of the construction contract.

REIMBURSEMENT PROCESS

Upon approval, the City of Victorville will enter into an agreement with the Property Owner and approved work may begin immediately after the agreement is fully executed.

- City staff will inspect the project to ensure compliance with Program
- Work must be completed within six (6) months of Program award
- All work must comply with approved plans
- Program funds will only be disbursed to the contractor, not the Property Owner or Business Owner, once the construction of the City approved improvements have been completed and inspected by City staff
- Program funds will be disbursed upon the issuance of a Notice of Completion issued by City staff

RESALE/SUBORDINATION/REFINANCE

The Property shall not be sold for less than the sum of existing liens, encumbrances, and interest including property tax liability.

Refinancing of the first mortgage is allowed for the purpose of reducing monthly payments on the first mortgage loan due to lower interest rates. In no case shall the amount of the new first mortgage exceed the then outstanding balance of the original first mortgage.

The withdrawal of equity from the property for any reason will require the immediate repayment of the City's loan.

PROPERTY OWNER RESPONSIBILITIES

By accepting Program funds, the Property Owner commits to:

1. Properly maintain all improvements, keep storefronts, as well as sides and backs of buildings, clean and free of construction material, and comply with all City Code Compliance regulations during the term of the Program agreement, including the pre- and post-construction phases of the Program.
2. Ensure that the rehabilitation work is not impeded because of their actions or the actions of their Tenant(s). The City will encourage the Contractor and employees to provide adequate pedestrian and property protection at the construction site.
3. Ensure 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 will not proceed with Program processing until it is supplied with a Certificate of Redemption from the San Bernardino County Tax Collector's Office or other appropriate documentation of proof of payment.
4. Schedule a final job completion inspection with the City's Building 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 Owner(s).

FINAL INSPECTION

It is the Contractor's responsibility to notify the City of Victorville Economic Development Department once the work has been completed to request a final inspection. The City

Inspector will conduct a final inspection to ensure all construction is complete and in compliance with all applicable codes, rehabilitation standards, permits, and Scope of Work.

COMPLETION AND ACCEPTANCE OF WORK

Upon complying with all local codes and rehabilitation standards, the Property Owner, Contractor, and City Inspector shall sign the Acceptance and Approval of Completed Work form. By signing this form, all parties agree the work is complete and accepted. Signature by all parties authorizes the direct payment from the City of Victorville to the Contactor.

MONITORING

Property Owner(s) or Business Owner(s) who qualified under the Income Qualification (Option 1) will be monitored according to their Owner/Lessee commitment stating that the household income has been determined to be within 80% of family household income limits pursuant to HUD. The City will perform the following:

- Physical inspection
- Review of operations
- Review of documentation

Property Owner(s) or Business Owner(s) who qualified under Low Moderate Jobs Activity (Option 2) will be monitored according to their written statement containing their commitment that it will make at least 51% of the permanent full-time jobs available to low- and moderate-income persons.

City staff will verify the following:

- Job title of the jobs retained and available to low- to moderate-income persons
- A list of which jobs require special skills or education
- A list of which jobs are part-time
- Review of the actions taken by the business ensuring that low and moderate-income persons receive first consideration for these jobs
- A listing by job title of the jobs filled, and which jobs were available to low and moderate-income persons
- A description of how first consideration was given to any such persons for these jobs including type of hiring process, names of the low and moderate-income persons interviewed for each job, and those hired
- Other items as deemed necessary by HUD or the City

Property Owner(s) or Business Owner(s) who qualified under the Matching Qualification (Option 3) will be monitored as follows:

- Physical inspection
- Review of operations
- Review of documentation

A minimum of 48-hours will be given to the Property Owner(s) or Business Owner(s) notifying them of the City's need to conduct a monitoring visit and inspection.

ATTACHED EXHIBITS

APPENDIX A – Old Town Target Area Map