2016

Department of Community Development

Storefront Renovation Program

 Applicant Information Guide

- Goals and Design Standards
- Exclusions and Restrictions
- Process
- Rebate Calculation
- Federal, State, and Local Laws
1. GOALS & DESIGN STANDARDS

- The primary goal of the Storefront Renovation Program (SRP) is to create a visual impact that causes economic growth in Cleveland’s neighborhood retail districts. This is accomplished by comprehensively improving the exterior conditions of commercial/retail properties and their surrounding sites as seen by the general public. The ultimate goal is to assist Cleveland’s retail districts in becoming visually attractive, economically strong places that provide surrounding residents and visitors goods and services that are competitive in a regional shopping market.

- All improvements must be made in compliance with the City of Cleveland’s commercial rehabilitation design standards as published in The Cleveland Storefront Renovation Program Design Manual, which are based on the Secretary of the Interior’s Standards for Rehabilitation. An applicant’s ability to receive financial assistance is contingent upon adhering to those standards and all program policies and procedures.

- If the Design Specialist has determined that the building is or may be eligible for the National Register of Historic Structures, then the Secretary of the Interior’s Standards for Rehabilitation must be strictly followed.

- The Design Specialist is authorized to ensure that the above referenced standards are applied to every project.

- Financial assistance through the Storefront Renovation Program requires that all proposed improvements conform to current City of Cleveland Building, Legal Use, and Zoning Code requirements, regardless of existing conditions.

- Any property owner acting as primary contact (if applicable), must be willing to inform all co-owners, as well as any commercial tenants, about the program and will organize their cooperation and financial involvement in coordinating rehabilitation elements such as signage, display window changes, temporary signage for marketing issues, etc.

2. ELIGIBILITY, EXCLUSIONS, AND RESTRICTIONS

Eligibility to participate in the Storefront Renovation Program is based on many factors and each project is considered individually on its merits. However, there are several general conditions that would exclude a project from the Storefront Renovation Program. The following is not an exhaustive list of program restrictions, but may be used as a guide to describe our most common policies. The City will make all final determinations of eligibility.

- SRP will only commit to funding one building rebate per applicant, per calendar year. Applicant is defined as, but not limited to being the sole owner or tenant of a property or having a vested financial interest in the ownership of the property or a business operating within the property.

- A new building owner of a previously SRP renovated building would be eligible to apply for the building rebate if:
  - The building was not renovated within the last 5 years of this application;
  - The new owner is not legally connected to the previous ownership of the building in any manner when it participated in the SRP;
  - The building will be renovated in a manner that creates the opportunity for a new visual impact to the main street elevation (as determined by the Design Specialist).

- Buildings types eligible to participate in the SRP are limited to structures built originally as commercial retail (storefront systems) or commercial service.

- Buildings that are ineligible for the Storefront Renovation Program building rebate include, but are not limited to those originally built as a school, house, industrial, manufacturing, warehouse, strip-shopping plaza, arcade, or mall, regardless of its current or proposed use. In addition, commercial structures that have been converted to residential and residential support uses, including a leasing office, are not eligible to participate in the SRP.

- If a commercial building is owned by a church and used in total or in part for sacred purposes, then the SRP rebate cannot be applied to those portions used for sacred purposes. Further, if owned by a church but use is non-sacred, then use must be for CDBG eligible activities and recipient demographics may be required. Church “out-buildings” are not eligible.
• If a commercial building is owned by a secular entity, but leased to a tenant for religious functions, then the owner must show proof that said building is in full compliance with all City zoning requirements for the purposes of proper and safe “assembly” use before proceeding with this application. Further, the Storefront Renovation Program rebate cannot be applied to those portions of the building used for sacred purposes, although the entire exterior must be comprehensively renovated according to program requirements.

• Applicants as contractors: Applicants that personally perform some or all of construction work on the project, or anyone who has a legal ownership interest in the project, will be restricted to a rebate based only on the cost of the construction materials used on that portion(s).

• Applicants, or anyone who has a legal ownership interest in the project that use their own employees or subcontractors to complete portion(s) of the project will be eligible for a rebate based on both the cost of materials and labor and are subject to the provisions of the Davis-Bacon Act when costs exceed $2,000. Additional requirements apply to this category.

• The ability to receive a rebate funding commitment from the City of Cleveland via an executed contract with the City (not the “Application”) is competitive against all eligible project applicants across the City. Applicants eligible for a rebate funding commitment must complete the required program development steps necessary to sign a Storefront Renovation Program contract (Rebate Agreement) with the City. Rebate funding will be awarded on a first-come, first-served basis until all allocated funds are committed or before the City’s annual funding deadline of December 31. All applications becomes void after that date and will be terminated from the program. There is no project carry-over into the following year or any promise of continued re-application opportunities into a new calendar year.

• An Applicant cannot enter into a contract for rebate funds and/or receive rebate funds upon completion of project unless the property taxes of this property are current or on a payment plan with Cuyahoga County. (This restriction still applies to tenants applying for Storefront Renovation Program funds.)

• Properties that have received a condemnation notice from the City’s Department of Building & Housing will not be able to participate in Storefront Renovation Program unless and until the building is brought out of condemnation violation status and is issued a certificate of occupancy.

• Sign-Only Rebate Program Eligibility
  • Eligible Sign-only rebate applicants are those that are located in buildings that:
  • Have been rehabilitated through the SRP and have no exterior maintenance issues;
  • Are located in SRP Target Areas and have been rehabilitated to SRP Design Standards with no exterior maintenance issues;
  • The Design Specialist will make all determinations regarding whether the building maintenance is acceptable and adheres to SRP Design Standards;
  • Eligible Sign-only applicants must be located in a first or second floor commercial space with a dedicated main street entrance;
  • The property taxes must be current on the building in order for a tenant to participate in the SRP.

3. PROCESS

Application:
• Interested parties are encouraged to discuss all commercial services available to them with the commercial staff at their local Community Development Corporation (CDC)
• If the interested party decides the Storefront Renovation Program might be a good fit for their needs, the CDC arranges for a Commercial Coordinator to meet with them and begin the application process.
• During the application process, the Applicant meets with the Coordinator and a Design Specialist from the City. Together, they assist the Applicant in focusing the design direction and defining the scope of the project. They also ensure that the Applicant understands all program regulations and procedures.

Design Phase:
• With input from the Applicant, the Design Specialist prepares conceptual design drawings for the building, site and signage (if applicable).
• Based upon the scope of the project, the Design Specialist determines if an architect is needed.
  • If an architect is needed, Applicant chooses & contracts directly with an architect.
  • Design Specialist will then work with the architect to ensure program design standards are followed.
• Once the Applicant and Design Specialist are satisfied with the conceptual design, the Design Specialist (or architect if applicable) develops working drawings suitable for pricing and City approvals.
The Design Specialist has full authority to determine the scope of the work, the materials used, and the overall design direction of the project. Further, the Design Specialist has full authority to deny designs brought to the SRP from outside sources both in terms of their ability to meet the SRP’s design standards as well as their content/text.

**Contractor(s) Bidding Phase:**

- Applicant selects his/her own contractor(s) and competitively bids out all exterior work items for project. A list of qualified contractors, including contractors specifically certified to work in the Storefront Renovation Program, can be found at the City of Cleveland’s website. The Design Specialist and Coordinator do not make referrals or recommendations.
- Applicant submits all final bids to the Coordinator
  - Coordinator fills out Labor Description Form for the applicant and submits it to the City with copies of selected bids and original contractor debarment forms.
  - The Labor Description Form is reviewed and approved by the Design Specialist and Labor Standards Officer
  - When applicable, the City Labor Standards Officer meets with contractors whose work must comply with the Davis Bacon Act regulating prevailing wage contracts

**Design Review:**

- If project is located within a Landmark District, then both a local design review committee and the Cleveland Landmarks Commission review and approval is required.

**Signing of SRP Rebate Agreement (legal contract with the City):**

- SRP Rebate Agreement is signed by:
  1. Applicant at City Hall with City and Storefront Program Staff and Coordinator (and Labor Standards Officer, if applicable). It is then forwarded to the following for signatures and approval:
     a. Director of Community Development;
     b. Certified by City Law Department and given a construction “start date;”
  2. Construction begins;
  3. Completion Date for Project is one year from the “start date.” Projects where the scope of work is not fully completed per the contract description; contractors paid in full; permits obtained and Rebate Disbursement paperwork submitted to the City will be terminated from the program with no rebate funds available to the applicant.

**Construction Phase and Completion:**

- Contractors perform work at the direction of the Applicant since all construction contracts are between the Applicant and the contractor(s). It is the Applicant’s responsibility to schedule, coordinate and manage any and all parties performing work.
- Design Specialist and Coordinator periodically monitor construction progress and respond to questions or problems on site as needed. The involvement of the Design Specialist and Coordinator is solely for adherence to design and program regulations.
- When construction is complete, the Design Specialist will perform a final inspection, and certify that all items in the scope of work have been completed per the approved design, referenced in the SRP Rebate Agreement, and that the project has adhered to program design guidelines and regulations. City advises that final payments to contractors be withheld until Design Specialist certifies that the scope of the work is completed per the contract terms and has been approved by the City’s Labor Standards Officer regarding prevailing wage contractor payroll forms and interview forms (if applicable).
- Once the Design Specialist has certified that the project has been satisfactorily completed, the Coordinator will assist the Applicant in organizing and submitting all required documentation to the City for an official “Rebate Request.”
- When the Rebate Request has been received and approved by the City, the Applicant will be mailed a check for the rebate amount certified in the Rebate Agreement (typically within 4 – 6 weeks of submission to the City).

**Maintenance Period:**

- Per the regulations of the Storefront Renovation Program, all applicants are required to maintain the appearance of their completed project as designed for a period of five years. This maintenance agreement pertains to all exterior conditions by retail tenants, current or new, including signage.
4. **REBATE CALCULATION**

The rebate calculation is based on eligible costs associated with the exterior surfaces of the building visible from the main street, building and parking lot site improvements. The rebate calculation may also include all or a portion (up to $3,500) of the above approved “professional service fees” and all existing commercial business/tenant signage when the total building/surrounding site costs do not exceed the maximum project costs necessary to receive the full rebate amount.

In 2015, Eligible Building Rebates will be available as follows:
- In SRP Target Area (as determined by the City): 40% for eligible costs not to exceed a rebate of $25,000;
- Outside of SRP Target Areas: 40% for eligible costs not to exceed a rebate of $15,000.

Additional rebates for commercial tenant signage are available when the project cost exceeds $62,500 (if project is within a Target Area) or $37,500 (if project is outside of a Target Area) and will be explained by the Design Specialist when the project is under development.

The project must be fully completed within the first construction year established by the contract start date in order to receive the 40% rebate. Projects that do not fully complete and submit the rebate request by the one year deadline will not receive any rebate funds and will be terminated from the program.

Eligible Project Costs include but are not limited to: exterior structural rehabilitation costs for above grade repairs only; non-abrasive building cleaning methods; surface treatments and paint; installation of windows, doors, awnings, signage, some portions of security systems; landscaping, fencing, lighting, planter beds, curbing, irrigation systems, and City permit fees related to the program’s portion of the project.

5. **FEDERAL, STATE AND LOCAL LAWS**

- Applicants must comply with all applicable laws of the Federal Government, State of Ohio and City of Cleveland, including all other regulations and administrative rulings pertaining to the Storefront Program.
- Applicants, or their contractors, shall be responsible for securing all applicable licenses, permits, approvals, and certificates of inspection required by law or by this program (costs can be included in rebate amount).
- Listed below are some of the more common federal and local laws that apply to our program. The laws listed, in addition to others not listed, may or may not apply to each project specifically.
  - **Prevailing Wage (Davis Bacon Act)**
    - Federal Law requires that prevailing wage rates apply to subcontractors and/or employees of contractors where construction costs exceed $2,000.
    - Projects receiving multiple City-program financial assistance where one of the funding sources is Federal (i.e., Storefront Program funding) will require that the entire project costs be subject to prevailing wage requirements.
  - **Uniform Relocation Act**
    - Relocation requirements apply to the building owner when he/she is the SRP Applicant. The Owner shall inform the building’s commercial and residential (if any) tenants via either a posted notice or a hand-delivered notice that no relocation from the building need occur as a result of participation in the SRP. Further, the Owner agrees not to raise the tenants’ rent in any “unscheduled” manner (at a time other than addressed in the tenant’s lease agreement) or in a manner that passes the cost of participating in the Storefront Program on to the tenant(s). The Owner agrees to these conditions during the project’s construction time and for one year from the completion date of the SRP project.
  - **Section 3**
    - If the Applicant is receiving more than $200,000 of CDBG (HUD) Federal financial assistance from the City then to the best extent feasible:
      
      A minimum of 10% of project cost should be awarded to certified Section 3 businesses (certified Section 3 business defined as is either owned by a low-income Cleveland resident (race/gender neutral) or one where 30% of the employees were low-income when hired)
• **Lead Abatement**
  
  - Commercial Buildings with residential units (whether occupied or vacant) must follow federal Lead Abatement policies when exterior painting exceeds 20 square feet and/or when window replacement occurs on the residential units assisted through the SRP.
  
  - In the case where commercial buildings with residential units include exterior painting exceeding 20 sq. feet, the exterior site must pass a visual clearance inspection by a City Lead Paint Inspector.
  
  - In the case where commercial buildings with residential units (occupied or vacant) install residential windows then the Owner will be required to distribute lead abatement pamphlets/collect acknowledgements from all affected residential units, and upon completion of the window(s) installation, the contained work site must pass a “swipe test” inspection (may include additional cost to building owner) in order to be eligible for rebate funds.
  
  - If window replacement occurs in the residential tenants’ portion of the building, the Owner must make efforts to obtain pre and post construction financial profiles from those residential tenants affected as part of the URA requirements.
  
  - These requirements also apply to all window installations where a daycare or other use involving children exists.

• **Cleveland Area Business Code (Chapter 187)**
  
  - The City’s Office of Equal Opportunity (OEO) requires that “Good Faith Efforts” must be documented when the Applicant is receiving over $50,000 of City financial assistance in an aggregate amount (aggregate amount if more than one department is providing funding to same project) for construction related projects. The Compliance Measure for good faith efforts is:
    
    - 15% MBE subcontractor participation (*Minority-owned Business Enterprise);
    - 7% FBE subcontractor participation (Female-owned Business Enterprise);
    - 8% CSB subcontractor participation (Cleveland Small Business located within the city of Cleveland boundary).
    - OR 30% SRP (Storefront Renovation Program) subcontractor participation
  
  *Eligible minority-owned businesses are those where 51% or more is owned by those of Black; Hispanic; Asian, or Native American origin and are certified with the Office of Equal Opportunity.

  NOTE: The City’s Office of Equal Opportunity will issue an evaluation of the “good faith efforts” made by the Applicant by reviewing the subcontractors selected and not selected prior to the execution of a Rebate Agreement between the City and the Applicant.

• **Fannie Lewis Resident Employment Law (Chapter 188)**
  
  - If the City is providing over $100,000 of financial assistance to the project (aggregate amount if more than one department is providing funding to same project), then the Applicant’s contractor(s) must include the use of City residents in the workforce of the project as follows:
    
    City Resident: 20% of Worker Hours on the construction;
    Of which 4% of Resident Workers must be Low-Income (low income person means a resident who is a member of a family having an income equal to or less than the Section 8 very low income limit established by the Department of Housing and Urban Development (HUD)).

• **Living Wage Law (Chapter 189)**
  
  - If the City is providing over $75,000 of financial assistance to the project (aggregate amount if more than one department is involved) and the Applicant is a for-profit with more than 20 full-time employees, or a non-profit with more than 50 full-time employees, then the Living Wage Law (requires a specific hourly wage to be paid and documented to full-time employees) may apply.