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Staff Report

ITEM NO. 5

To: Lemoore City Council
From: Judy Holwell, Project Manager
Kristie Baley, Office Assistant
Date: March 26, 2012
Subject: 2008/2009 CDBG Enterprise Fund Grant # 08-EDEF-5881
Closeout Accomplishment Report

Discussion

In 2009, the City of Lemoore was awarded a \$300,000 grant by the State of California Community Development Block Grant (CDBG) Program to provide financial assistance to the owners of commercial businesses within the community to improve their storefronts. Under the terms of the CDBG Standard Agreement signed August 18, 2009, the funds were leveraged with an additional \$200,000 commitment by the Lemoore Redevelopment Agency to further enhance the availability of the Program. Those funds remain obligated for the continuation of the Program until all funding is exhausted. The CDBG Program expired on December 31, 2011 and under the terms of the Agreement, a Public Hearing is required prior to submitting our Closeout Report to the State. This Staff Report along with any public testimony shall serve as the Closeout requirement.

In 2010, our city-wide Microenterprise Façade Improvement Program was established. To qualify for financial assistance, businesses were required to meet certain eligibility requirements set by the California Department of Housing and Community Development (HCD). In order to qualify, a business could not have more than five employees and the business owner(s) was/were required to meet the low-income limit for households. Participants were provided a maximum of \$50,000 toward facade improvements by a licensed contractor and an additional \$5,000 was provided to enlist the services of a licensed architect for design services. No out of pocket expense was required to participate in the Program. Funding was set up as a five year, forgivable loan, secured by a Property Restriction Agreement that requires the façade improvements to be maintained for a period of five years.

Four businesses were assisted during the term of the CDBG Grant, exhausting 80 percent of the grant funds. All of the businesses chose to increase the height of their storefront with the addition of a parapet. Additional improvements ranged from new windows, improved entry ways, paint, stucco, lighting and new signage. Attached are

pictures of the four completed projects. It just so happened that all of the participants were businesses on Heinlen Street in Downtown Lemoore. However, the Program was available to all commercial businesses meeting the State's requirements.

Budget Impact:

None.

Recommendation:

That Council:

1. Open a Public Hearing to accept public testimony regarding the Microenterprise Façade Improvement Program.
2. Approve this Report along with any public testimony as the Grant Closeout Accomplishment Report.