

Agenda Report Reviewed by:  
City Manager: 

CITY OF SEBASTOPOL  
CITY COUNCIL  
AGEND ITEM

**Meeting Date:** October 6, 2020  
**To:** Honorable Mayor and City Council  
**From:** Kari Svanstrom, Planning Director  
Alan Montes, Associate Planner  
**Subject:** Approval of Amendments/Modifications to Façade Improvement Program  
**Recommendation :** That the City Council Approve the Amendments/Modifications to the Façade Improvement Program  
**Funding:** Currently Budgeted: \_\_\_\_\_ Yes \_\_\_\_\_ No XX N/A  
Net General Fund Cost: N/A  
Amount: \$0

Account Code/Costs authorized in City Approved Budget (if applicable) AK (verified by Administrative Services Department)

**INTRODUCTION/PURPOSE:**

This item is for Council approval of amendments/modifications to the Façade Improvement Program.

**BACKGROUND:**

At the September 1, 2020 City Council Meeting, the Council approved several revisions to the Façade Improvement Program to further assist businesses. Since this approval, the City has received additional feedback from members of the business community on how to further improve the Program.

The Program provides a rebate for expenses incurred on new exterior property improvements made to commercial or industrial buildings within the City of Sebastopol. The rebate can be applied to long term exterior improvements such as painting, new signage, awnings, landscaping, exterior lighting, and local permit fees. The program will reimburse a property owner or tenant for 75% of new improvements up to \$2,500.

**DISCUSSION:**

Since the recently approved modifications to the program the City has received several requests to modify specific elements of the program. These requests include easing the following requirements:

1. Currently the program limits a property to only eligible one time for the Program. This language could treat a multi-tenant building unfairly. For example, if one tenant applied for the program for their tenant space, it would then prohibit other tenants from receiving the rebate. Staff suggests revising the requirement to be for either the building and/or individual tenant spaces

(suites). Additionally, it may be of benefit to establish a timeframe in which a property that was granted the rebate to reapply to the Program, such as three, five or ten years.

Staff believes it would be appropriate to modify the Program to be for either the building and/or individual tenant spaces and to reduce the ineligibility timeframe, but maintain a minimum of at least 3 years, the same timeframe the Program requires improvements to be maintained. The Council should review these modifications and the proposed timeframe.

2. Currently the program requires that, if the building is sold within 3 years of rebate funding, the building owner agree to repay the city a prorated amount. It has been brought to staff's attention that this can be a deterrent to building owners to consenting to their tenant's participation in the program. Staff has reviewed this requirement, and recommends revising this to state that, if the improvements remain in effect for a three-year period, then repayment is not required. This would allow tenant business owners to participate without concern for who owns the property, but maintain the requirement that the improvement be longer term.
3. Under the current Program, project improvements started prior to approval are ineligible. Staff would encourage the Council to consider allowing projects that have started (in process) but are not completed to be eligible for the rebate. Staff does not recommend already completed projects to be eligible, as the intent of the program is to spur additional investment in the City's commercial areas.

**PUBLIC COMMENT:**

Public Comments received as of this staff report are included in the Attachments.

**PUBLIC NOTICE:**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with the recommended action tonight.

**RECOMMENDATION:**

That the City Council approve amendments/modifications to the Façade Improvement Program.

**ATTACHMENTS:**

Public Comments

*For information on the Façade Improvement Program, please see:*

<https://ci.sebastopol.ca.us/Article/9-16-Updated-Facade-Improvement-Grant-Program>

September 15, 2020

from: Jann Eyrich, Gypsy Cafe 162 North Main Street

to: Sebastopol City Council and Staff

My comments are on the Façade Improvement Program as detailed in the online packet.

1. What is the turnaround for approvals once Design Review Board has a shot at the applications?

For example, when a project is approved on Nov. 4th, when will the applicant be informed - and how?

2. What is the turnaround for reimbursement of approved projects?

e.g., if that same project were completed quickly, when could the applicant receive the rebate?

3. If Caltrans or city permits are required, will the city facilitate with Caltrans and waive fees associated with the proposed façade improvements?

4. Regarding page 6, item IX which says if the building is sold within 3 years of rebate funding, the building owner agrees to repay the city a prorated amount.

This will most likely be a deterrent for many building owners in signing this application.

Might the council instead consider an incentive approach to landlords who, like their tenants, are just trying to stay in business?

5. Regarding page 5, Item V. which excludes project improvements started prior to Planning Department written approval.

In consideration that the clock doesn't start to tick on these projects until November 4<sup>th</sup> at the earliest, this requirement ensures that many will not apply and the intended uplift to the downtown will be muted.

*For example*, Retrograde's new awnings took weeks and weeks to plan, order and install. The impact is huge in the 100 South block. As this program has a June 30<sup>th</sup> term, might the improvements in the fiscal year which fall under the grant guidelines be considered for rebate retroactively?

I would remind the council and city staff, that the purpose of the grant is to encourage landlords to allow tenants to make repairs and improvements. My question is why make it so difficult? Especially - why ask for any investment on the part of the business/applicant? This is a grant that comes with a ceiling and multiple controls as evidenced in the extensive and excessive terms and conditions of the application.

The whole purpose is for the city to invest. The 25% contribution by businesses only affects the smaller projects and delays - if not deters - much needed work. It also contributes to a lukewarm feeling about the fund and the commitment of the city to its core. The window is open and has been open for the city to inspire its current tenants to hang on and encourage new tenants to invest with their city partner.

Thank you for your consideration,

Jann