

CITY OF SAN ANTONIO
NEIGHBORHOOD ACTION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM

ITEM NO. 32

TO: Mayor and City Council
FROM: David D. Garza, Director, Neighborhood Action Department
SUBJECT: Acceptance of Grant Funds from Citigroup Foundation
DATE: October 20, 2005

SUMMARY AND RECOMMENDATIONS

This ordinance acknowledges the acceptance of a \$15,000 award from Citigroup Foundation to the City of San Antonio Neighborhood Action Department through the San Antonio Housing Trust Foundation as fiscal agent for the Operation Facelift program within the Neighborhood Commercial Revitalization (NCR) program. These funds will augment the City's resources for areas that are not eligible for CDBG funding.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

The San Antonio City Council approved the creation of the NCR Program in 1998 to empower community groups to restore productivity of underused neighborhood urban retail and business areas. The goals of the NCR Program are to support economic reinvestment in business corridors of San Antonio's urban core, create economic and employment opportunities in the inner city, and improve the physical appearance of these areas. Modeled after the successful National Main Street Program, the NCR Program works with community-based nonprofit organizations that successfully compete to participate. The participant organizations develop and implement economic development plans with strategies in four major areas of effort. These include: promoting and marketing the business district to potential customers, preserving and maximizing the districts' unique physical assets through design and planning of private and public improvements, providing assistance to promote business retention and attraction, and organizing together in order to recapture the economic vitality which once characterized the areas. Working as partners, the NCR Program and its participating organizations create and implement self-directed economic development plans that: promote the competitive advantages of the inner city; enhance the unique historic and architectural assets of the business district; provide technical assistance to small businesses currently located in the target areas; recruit new businesses to the area based on identified unmet consumer need; facilitate public and private physical and infrastructure to increase economic feasibility and investment in the target areas.

Through the NCR Program, the City funds organizations at two levels: Partnership Project which makes \$5,000 available to groups interested in building organizational capacity to undertake full-fledged revitalization program. The full Revitalization Project provides \$370,000 over a six-year period to Partnership Project organizations that demonstrate their ability to implement a full-time economic development program. NCR Revitalization Project areas are eligible to participate in Operation Facelift.

Operation Facelift is the NCR Program's façade improvement grant program. It was created as an incentive for businesses to invest in their properties' appearance and to further the NCR Program goals. The scope of the improvements vary but are all highly visible projects that send a signal to shoppers, potential businesses, investors and residents that something positive is happening.

The purpose of Operation Facelift is to:

- Reverse the deterioration of commercial structures in the targeted areas.
- Enhance efforts to market vacant space and attract new businesses.
- Stimulate new, private investment and economic growth.
- Promote consistency in design that is complimentary and sympathetic to the existing design and architectural character of the area.
- Create a fresh and aesthetically pleasing environment that can compete for customers who are used to shopping in malls and at newer retail lifestyle centers.
- Assist property owners with the appropriate exterior rehabilitation of their buildings and bring them up to code.
- Reduce the perception of crime.
- Invest in historic preservation and rehabilitation.

Grants are awarded from \$500 to \$15,000 and are accepted on a first come first serve basis throughout the year, as funds are available. Through Citigroup's grant award, the NAD is able to assist business owners who can not provide the match for the City funded grants as required equally, dollar for dollar. In-kind contributions and profits generated by the applicant serving as contractor will not be considered as part of the required match. Total project costs may exceed \$30,000; however, the maximum City reimbursement for a project will be \$15,000. The reimbursement of funds is conducted with original proof of payment(s) and released upon satisfactory completion, inspection and acceptance of all work. Owners of vacant buildings are encouraged to apply and improve their property as a catalyst for future occupancy. Tenants are eligible to apply with a signed lease and the property owner's approval. Mixed use buildings with retail/commercial uses in the storefront may also be considered. Currently, properties not eligible for consideration include those used primarily as residences.

Operation Facelift funds fixed or permanent façade improvement projects. Eligible improvements can include:

- complete façade rehabilitation;
- replacement of broken window panes and broken storefront glass;
- scraping, priming and painting of window frames, cornice and storefront;
- painting of brick facades where brick has been previously painted;

- repair or replace deteriorating signage and brackets when attached to the building;
- repair or replace missing or broken tile;
- repair or replace worn canopies or awnings; removal of metal slipcovers to expose original materials;
- rehabilitation of the upper façade and display areas if street level improvements are improved;
- other repairs when incidental to overall façade improvements (roof repair, exterior lighting, detached signage, and certain security elements).

Improvements that are not currently considered eligible in the calculation of a project's reimbursement include:

- improvements which do not conform to the adopted design guidelines;
- new construction;
- landscaping;
- parking lots;
- burglar bars;
- blank walls;
- roof work alone;
- or work that has been performed or which has been placed under contract prior to approval of an application.

Operation Facelift applications are reviewed by a Design Review Team composed of the participant's Design and Planning Committee members, participant's staff, NCR Program staff and a member of the City's Historic Preservation Office. In addition to area, applicant and improvement eligibility, grant funding will be awarded based on positive recommendation by the Design Review Team. Even though compliance with the target area's Design Guidelines are voluntary, it is one of the main criteria used by the Design Review Team to determine project selection. Other selection criteria include: completeness of application; reasonableness of costs; appropriateness and need for improvement; evidence of match; compliance with city, state and federal regulations and permitting requirements; approval by Historic Design Review Commission for properties located in a Historic District; a signed maintenance agreement, and; a signed grant agreement between the City and applicant.

POLICY ANALYSIS

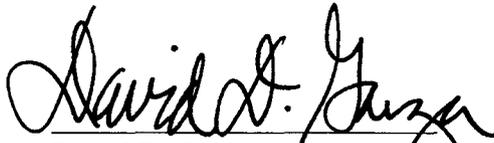
Current funding for Operation Facelift is a combination of Community Development Block Grant (CDBG) and General Fund monies. CDBG funded projects must meet CDBG eligibility criteria by being located within a Census tract block with 51% of households at low to moderate income. There are some properties within target areas that are not CDBG eligible, limited General Funds are used for these. In an effort to partner with local lending institutions and assist them in their efforts to fulfill Community Revitalization Act (CRA) requirements, the City of San Antonio has engaged the San Antonio Housing Trust Foundation, Inc., through their annual Administrative Services Contract approved by City Council on September 29, 2005 (Ordinance No. 101496), to act as fiscal agent and accept donations on the City's behalf to support neighborhood & housing revitalization efforts.

FISCAL IMPACT

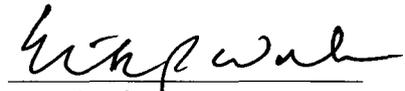
There is no fiscal impact to the General Fund with this item.

COORDINATION

This item has been coordinated with the City Manager's Office, City Attorney's Office, and San Antonio Housing Trust Foundation, Inc.


David D. Garza, Director
Neighborhood Action Department


Jelynné LeBlanc Burley
Assistant City Manager


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