

# City of Oakland

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## Façade & Tenant Improvement Programs

### PROGRAM DESCRIPTION

The Façade and Tenant Improvement Programs (FTIP) are designed to support investment for commercial retail buildings with storefront businesses. The goal is to encourage economic development and reduce blight by enhancing the physical appearance and commercial viability of storefront businesses.

The **Façade Improvement Program (FIP)** is an incentive program that offers property and business owners grants for improvements to the façades of commercial buildings, up to a maximum of \$30,000.

The **Tenant Improvement Program (TIP)** is an incentive program that offers business owners grants for improvements to the interiors of commercial buildings, up to a maximum of \$45,000.

Unlike the FIP, the TIP is meant for business owners who are tenants only. Property owners with commercial tenants may encourage their tenants to apply. On a case-by-case basis, property owners who are opening a new business in their formerly vacant property may also be considered for eligibility.

A program applicant becomes a grantee after all parties have signed the Reimbursement Agreement. Prior to that, a basic requirement for both the FIP and TIP is that business owner applicants have a minimum of 3 years remaining on their lease and that they provide a letter of approval from their property owner. More details pertaining to the letter of approval, the Reimbursement Agreement, and the entirety of the FTIP's requirements and phases can be found in the Program Requirements and Program Procedures sections.

### PROGRAM FUNDING LIMITATIONS

- An individual property may receive 1 FIP grant and 1 TIP grant within a 10-year period that begins on the date that the first qualifying reimbursement was provided.
- Applicants with multiple properties are permitted to receive funds for 1 FIP project and 1 TIP project per calendar year.
- Grantees that have received program funds totaling \$150,000 within a 3-year period will be ineligible to apply for additional grants for the duration of a 3-year period that begins on the date that the first qualifying reimbursement was provided.
- Please note that awarded grant money is taxable income.

## APPLICATION ELIGIBILITY AND SCORING CRITERIA

Both property owners and their business tenants may apply to the FIP/TIP. While a property owner may apply for a vacant property, if there is an existing tenant, that tenant must be an independently owned, for-profit business (e.g., churches, nonprofit organizations, chains, and franchises are not eligible).

The City will issue a Notice of Funding Availability (NOFA) for each round of the FIP/TIP, providing a 60-day window for application submittals. Grants will be awarded to projects based on the following equity scoring criteria:

- 1) **Location of Business** (Priority Neighborhoods defined by [the Department of Transportation's Geographic Equity Toolbox](#)): up to 40 points
  - a. Lowest Priority Neighborhood: 0 points
  - b. Low Priority Neighborhood: 0 points
  - c. Medium Priority Neighborhood: 10 points
  - d. High Priority Neighborhood: 20 points
  - e. Highest Priority Neighborhood: 40 points
- 2) **Years in Operation of Business at Current Location**: up to 15 points (1 point per year of operation, also applicable if property owner applies rather than tenant business)
- 3) **Applicant (Whether Business Owner or Property Owner) is an Oakland Resident**: 5 points

### Program Goals

Grants will be awarded to projects that City of Oakland staff determines best fulfill the following goals:

- Support the City's broader economic development goals
- Improve the retail climate of the surrounding commercial district
- Enhance the appearance of retail corridors and preserve/restore valuable historical features

### Set Aside For Window Repair

While the majority of the FIP/TIP funds will be awarded as part of the NOFA, there will be a set aside of \$25,000 to fund 10 grants of \$2,500 each for window repair from vandalism that will be distributed on a first-come, first-served basis.

### Neighborhood Set Aside

In addition to the equity criteria above, for every funding round, a minimum of one grant will be awarded to an eligible applicant from each of the following areas:

- Deep East Oakland
- West Oakland
- Fruitvale

- Chinatown
- Little Saigon/Eastlake
- Dimond
- Laurel
- Fairfax

**ELIGIBLE PROJECT EXPENSES**

Please note that the FTIP will not consider awarding grants to businesses that have already started or completed construction. Applicants must be in a contract with the City prior to the start of construction. **Do not submit applications if you have already begun construction.**

The primary difference between the types of expenses eligible for reimbursement for FIP and TIP projects are that all work approved for a FIP project must be visible from the public right-of-way and TIP project work is limited to the interiors of commercial buildings.

**The City may require additional work for FIP and TIP projects in addition to any proposed work to align projects with the City of Oakland Small Project Design Guidelines by the applicant in order to qualify for grant funds. Please review the guidelines prior to submitting applications.**

Reimbursable FIP project work may include the following:	Reimbursable TIP project work may include the following:
<ul style="list-style-type: none"> <li>• Paint</li> <li>• Signage</li> <li>• Landscaping</li> <li>• Exterior lighting</li> <li>• Security systems</li> <li>• Awnings/canopies</li> <li>• Windows, doors, and safety grilles</li> <li>• Restoration of historical façade features</li> <li>• Physical upgrades associated with outdoor dining (e.g., parklets)</li> <li>• Compliance with the Americans with Disability Act (ADA)</li> </ul>	<ul style="list-style-type: none"> <li>• Interior design, paint, and décor</li> <li>• Demolition and shell reconstruction</li> <li>• Restoration of interior historical features</li> <li>• Mechanical, electrical, plumbing, and HVAC</li> <li>• Hazardous materials abatement (e.g. asbestos removal)</li> <li>• Compliance with the Americans with Disability Act (ADA)</li> </ul>

Also, permit fees associated with construction are eligible for reimbursement for all FTIP projects.

**PROGRAM FUNDING GUIDELINES**

Program funds are distributed as grant reimbursements once grantee can provide proof of payment. There are two options for payment:

- 1) A standard reimbursement can be requested once all construction has been completed, the contractor has been paid in full, and all terms of the Reimbursement Agreement have been met.
- 2) Grantees that require greater project cash flow flexibility have the option of staggered reimbursement, whereby payments are distributed in phases corresponding to when funds are needed, and once supporting documentation is provided at project milestones.

In either case, the City will only pay for costs that the grantee has already incurred, provided that the costs are incurred once the grantee and the City are in contract.

Projects of up to \$25,000 under the FIP and/or TIP are fully reimbursable; any project costs for the FIP and/or TIP over \$25,000 will be reimbursed at 50 percent.

The cap for TIP projects is \$45,000, and the cap for FIP projects is based on façade length up to a maximum amount of \$30,000, the lesser of the two. To determine the total amount of funding your FIP project might be eligible for, please review the table below:

<b>Façade Length</b>	<b>Reimbursement Cap</b>
25' or less	\$10,000
26' to 35'	\$12,500
36' to 45'	\$15,000
46' to 55'	\$17,500
56' to 65'	\$20,000
66' to 75'	\$22,500
76' to 85'	\$25,000
86' to 95'	\$27,500
96' or greater	\$30,000

The City reserves the right to approve or reject any application for funding at its sole discretion.

## **PROGRAM REQUIREMENTS**

The following requirements must be met to participate in the FTIP:

1. Applicants must provide a copy of their current Oakland Business License. All approved grantees must also register as a vendor through the City of Oakland's iSupplier portal.
2. The TIP is meant for tenants only, but property owners may support participation by encouraging their tenants to apply. On a limited basis, property owners who are opening a new business in their formerly vacant property will also be considered.
3. All TIP applicants and those FIP applicants who are not property owners must provide a letter from their property owner stating (1) their knowledge of the program, (2) their consent for the improvements to the property, and (3) their confirmation that their tenant has a lease with a minimum of 3 years remaining from the date of the submission of the application.

4. Grantees are only permitted to have 1 FIP project and 1 TIP project funded per calendar year. An individual property may receive 1 FIP grant and 1 TIP grant within a 10-year period that begins on the date that the first qualifying reimbursement was provided, regardless of whether the business tenant changes in that 10-year period.
5. Grantees that have received program funds totaling \$150,000 within a three year period will be ineligible to apply for additional grants for the duration of a three year period that begins on the date that the first qualifying reimbursement was provided.
6. All projects must comply with the standards set in the *Oakland Small Project Design Guidelines* (<https://www.oaklandca.gov/documents/small-project-design-review-guidelines>) and be approved by City staff before the Reimbursement Agreement is signed. After the Reimbursement Agreement is signed, no design changes can be made without staff approval.
7. All projects must also comply with the City's current Zoning Regulations and Green Building Ordinance. If the project is in a location or contains an element that requires Small Project Design Review (determined by zoning), the applicant or contractor will need to submit the plans to the planning department. Staff will inform applicants if their project requires this.
8. Documented bids from three contractors are required for all FTIP work to be approved for reimbursement. If it is not possible to provide three bids, grantee must document effort to solicit three bids. Different parts of the project work, such as signage, awnings, or paint, can be separated for bidding and contracting, provided the applicant is committed to coordinating the contractors' work. Once the contractor(s) is/are selected, said work must then be outlined in the Scope of Work and Budget document (**Attachment A**). The FTIP will not consider awarding grants to businesses based on work that has already started or been completed. Applicants must be in a contract with the City prior to the start of construction.
9. All contractors hired by FTIP grantees are required to be licensed contractors and the grantee must provide proof of this in the Contractor Requirements document (**Attachment B**). For all grants other than window repair, the grantee (or their contractor) will also be required to show proof of minimum insurance requirements, including listing the City as an additional insured party, as described in the Schedule Q (**Attachment D**).
10. Applicants must ensure that all required permits will be obtained for all improvements that are part of the FIP or TIP project.
11. As per the Maintenance Standards document (**Attachment C**), grantees will be required to continuously maintain, at their expense, the improvements made as a result of their FTIP participation for a period of no less than 5 years from the date on which the Reimbursement Agreement was signed.

## PROGRAM PROCEDURES

The standard procedures for all FTIP grants, with the exception of emergency window repair, are as follows:

### *Application Phase*

1. During the application window, applicant completes an application online, or sends a completed application to program staff.
2. City staff screens all applications received to determine that all the necessary information has been provided, including photos of existing conditions, a letter from the property owner, and a copy of the applicant's business license. City staff will apply the equity scoring criteria to determine which applications are funded, and will notify selected applicants after the close of the application window.

### *Bidding Phase*

3. City staff will meet with the applicant to discuss the improvements desired and to reach a consensus on an estimated budget range.
4. The applicant gets estimates for work from at least 3 licensed contractors, or documents effort to solicit 3 bids. If an architect/designer is needed, applicant can substitute one estimate from the architect for the entire project, including design work and construction. As design work need not begin until after the agreement is executed, the estimate may be in the form of a range. Different parts of the project work, such as signage, awnings, or paint, can be separated for bidding and contracting, provided the applicant is committed to coordinating the contractors' work. Once the contractor(s) is/are selected, said work must then be outlined in the Scope of Work and Budget document (**Attachment A**).
5. City staff reviews the 3 bids received from the applicant for compliance with the design plans, ensuring no improper substitutions have been made.

### *Agreement Phase*

6. Once the applicant is ready to select the contractor(s) and/or architect, they can begin satisfying the prerequisite requirements of the Reimbursement Agreement outlined by the following documents:
  - (1) Scope of Work and Budget (**Attachment A**) lists all reimbursable work to be completed with itemized costs
  - (2) Contractor Requirements (**Attachment B**) ensures that the contractors are licensed to work in the City of Oakland

- (3) Maintenance Standards (**Attachment C**) holds the grantee to 5 years of maintaining all improvements funded by the program
  - (4) Schedule Q (**Attachment D**) describes the Commercial General Liability, Automobile Liability, Worker's Compensation, and Professional Liability insurance requirements
  - (5) Schedule O (**Attachment E**) ensures and prohibits grantees from making campaign contributions during the period specified in the Oakland Campaign Reform Act
7. Once the above documents have been provided, reviewed and approved by staff, Applicants sign a Reimbursement Agreement and become a grantee. Expenses incurred after the agreement is signed, provided that they are included in the approved project scope of work, are eligible for reimbursement.

***\*Applicants must sign a Reimbursement Agreement and become a grantee prior to starting work.***  
The FTIP will not reimburse work that has started or been completed before the City and the applicant have signed the Reimbursement Agreement.

### ***Design Phase***

8. If designs are required for the project, the grantee will complete a design proposal. For a FIP project, this would include scale drawings of both the existing and proposed elevations. These will typically include measurements of significant features of the existing and proposed elevations, construction details, specifications for materials and hardware, and specific colors and finishes. The drawings do not constitute construction documents, but in some cases may be sufficient to obtain permits. Additional information may be required to obtain building and any other required permits, all of which are the responsibility of the applicant.
9. City staff will arrange a second meeting with the applicant and the project architect to review the drawings of the suggested improvements and eventually finalize and agree upon the scope of the improvements. One or more alternative designs may be presented at this time, depending on staff recommendation and the type of project. Following this meeting, a finalized design will need to be agreed upon between the applicant and the City staff project manager.
10. If City staff determines that the project is in a location or contains an element that requires Small Project Design Review, the applicant or contractor will need to submit the final design plans to the planning department for approval before moving forward.

### ***Construction & Project Completion Phase***

10. Once the design work is complete, the applicant, now grantee, will produce (if they did not prior to the agreement phase) estimates for construction work from at least 3 licensed contractors, or will document effort to solicit 3 bids.

11. The grantee, will hire the contractor(s) and coordinate construction activities with them. City staff will not coordinate contractor work. The grantee will have 30 days to authorize the contractor to begin construction from the date the City signs the Reimbursement Agreement. If the grantee has not authorized the contractor to begin construction within 30 days, the City has the right to terminate the contract and utilize the reserved grants funds for other applicants who are ready to proceed.
12. Grantees and their contractors must obtain all appropriate permits (building, sign, mechanical, electrical, plumbing, encroachment, etc.) in accordance with the City's zoning and building codes prior to construction. Grantees will be responsible for permit fees (other than those related to Small Project Design Review), but those permit fees are eligible for reimbursement.
13. City staff will monitor the work completed by the contractor to ensure that it is done according to the agreed upon final design drawings and specifications. Logistically, this could include a preconstruction meeting and 1-2 field inspections, depending on the size of the project
14. Once all work is completed, City staff will conduct a final site visit to view the completed improvements to ensure that the agreed upon design has been executed correctly.
15. Once this is done, the grantee and the grantee's contractor will sign the Application and Certificate for Payment and send it, along with copies of paid invoices, cashed checks, and related bank statements, in order to receive reimbursement.

### ***Maintenance Phase***

16. As per the Maintenance Standards document (**Attachment C**), grantees will continuously maintain, at their expense, the improvements made as a result of their FTIP participation for a period of no less than 5 years from the date on which the Reimbursement Agreement was signed.

### **EMERGENCY WINDOW REPAIR PROCEDURES**

1. Applicant completes an application online or sends a completed application to the program manager.
2. City staff screens the application to determine that all the necessary information has been provided, including photos of the window damage, a police report, and a copy of the applicant's business license, and responds to applicant.
3. Upon approval, applicant sends estimates for window repair from licensed contractors (while not a requirement, at least 3 bids are recommended). Once the contractor is selected, said work must then be outlined in the Scope of Work and Budget document (**Attachment A**).
4. City staff reviews the bids received from the applicant for legitimacy.
5. Once the applicant is ready to select the contractor(s), they can begin satisfying the prerequisite requirements of the Reimbursement Agreement outlined by the following documents:

- a Scope of Work and Budget (**Attachment A**) lists all reimbursable work to be completed with itemized costs
  - b Contractor Requirements (**Attachment B**) ensures that the contractors are licensed to work in the City of Oakland
  - c Schedule O (**Attachment E**) ensures and prohibits grantees from making campaign contributions during the period specified in the Oakland Campaign Reform Act
6. The applicant, now grantee, will hire the contractor and coordinate window repair with them. City staff will not coordinate contractor work. The grantee will have 30 days to authorize the contractor to begin construction from the date the City signs the Reimbursement Agreement. If the grantee has not authorized the contractor to perform window repair within 30 days, the City has the right to terminate the contract and utilize the reserved grants funds for other applicants who are ready to proceed.
  7. Once all work is completed, grantee will send photo documentation of the window repair.
  8. Grantee will send copies of paid invoices, cashed checks, and related bank statements, in order to receive reimbursement.

## **CONTACT INFORMATION**

If you have any questions on whether your project qualifies or if you wish to request an application, please contact [FTIP@oaklandca.gov](mailto:FTIP@oaklandca.gov) or call 510-238-3853.