

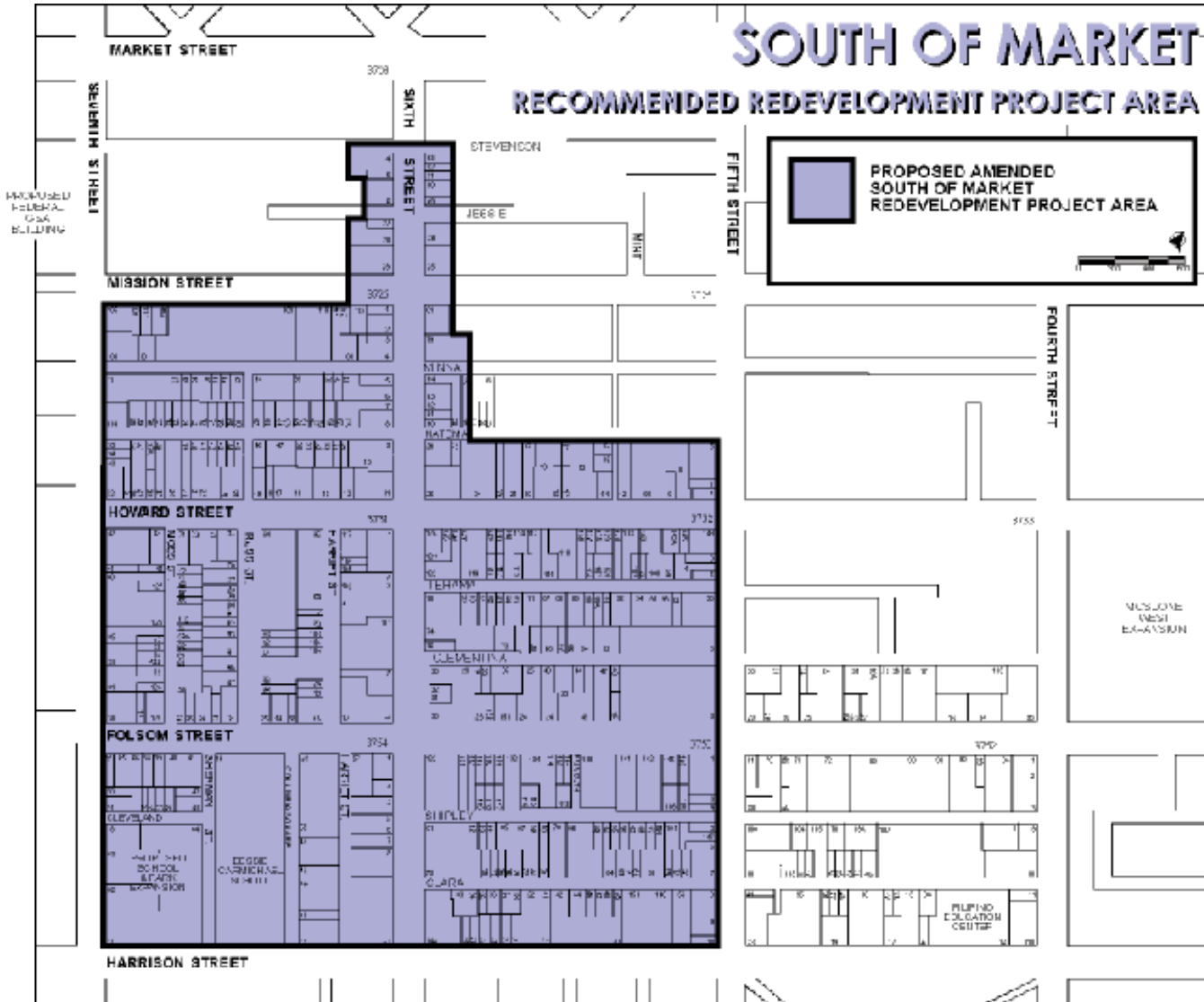


## South of Market Project Area

### *Sixth Street Economic Revitalization Program*

- **FREE Architectural and Design Drawings** (Excluding Mechanical, Engineering and Plumbing)
- **FREE Improvement and New Construction Grants**

Incentives are available to approved property owners, business owners and non-profits in the South of Market Project Area from the San Francisco Redevelopment Agency. Free design assistance and matching grants for construction are available for façade and tenant improvements on buildings with ground floor retail space. Buildings and storefronts in the greatest state of disrepair will be given priority. Urban Solutions is the non-profit, community serving organization contracted to target and pre-screen eligible applicants. Urban Solutions also provides project management services ensuring successful project completion.



## Façade Improvements

Free design drawings and matching grants are available to property and business owners for façade improvements. Non-profits have access to free design drawings and façade grants and are not required to provide matching funds if approved. Funds can be used for improvements such as:

Signs	Awnings	Doors
Windows	Power Washing	Painting
Removal of Safety Grills	Tilework	Lighting
Security Cameras	Graffiti Film	

**FREE Matching Grants:** The Redevelopment Agency will match private funds on a one-to-one basis in the form of a forgivable loan up to \$9,500. Non-profit businesses are not required to provide matching funds. **Forgivable loans are forgiven immediately upon completion of the work.**

<b>Example:</b>	Property Owner Contribution:	\$2,000
	<u>SFRA Grant:</u>	<u>\$2,000</u>
	Total Improvement Funds:	\$4,000

**BEFORE**



**AFTER**



## Tenant Improvements

Free design drawings and matching grants are available to property and business owners for tenant improvements of ground floor retail spaces. Funds can be used for improvements such as:

Demolition	Construction	Floor Coverings
Wall Finishes	Ceilings	Equipment
Plumbing	Electrical	HVAC

**FREE Matching Grants:** The Redevelopment Agency will match private funds on a one-to-two basis in the form of a forgivable loan up to \$25,000. **Tenant Improvement matching grants are forgiven incrementally over 15 years for businesses and property owners. Grants for Tenant Improvements must be 100% collateralized over the respective forgivable periods.**

<b>Example:</b>	Property Owner Contribution:	\$2,000
	<u>SFRA Grant:</u>	<u>\$1,000</u>
	Total Improvement Funds:	\$3,000

**BEFORE**



**AFTER**



*Sixth Street Economic Revitalization Program*

**MATCHING GRANT AMOUNTS**

	FREE Design Drawings	FREE Matching Grants
	Up to	Up to
<b>Façade Improvements</b>	\$5,000	\$9,500  REDEVELOPMENT AGENCY matches your investment dollar for dollar.
<b>Façade Improvements</b> *Non-Profits on Sixth	\$5,000	\$9,500  No match required.
<b>Tenant Improvements</b>	\$7,000	\$25,000  REDEVELOPMENT AGENCY gives one dollar for every two invested.



# OVERVIEW OF FORGIVEABLE LOAN TERMS AND CONDITIONS

## Underwriting Criteria

### Façade Improvement Matching Grants

- a. FREE Matching Grants: Property owners and businesses, including non-profits, are eligible to apply for forgivable loan funds. Business and non-profits must have at least three years remaining on their lease and property owners must approve the proposed improvements.

### Tenant Improvement Matching Grants

- a. FREE Matching Grants: Property owners and businesses are eligible to apply for forgivable loan funds. Business must have at least three years remaining on their lease and property owners must approve the proposed improvements.
- b. Additional Tenant Improvement Funds requirements:

\*Property owners and businesses are required to fully collateralize all forgivable loans for tenant improvements for the duration of the forgivable period. Acceptable forms of collateral include: real estate, business assets (such as machinery and equipment), cash in the form of a certificate of deposit or interest bearing escrow account, or personal residence.

\*The forgivable period for tenant improvement forgivable loans is five years for businesses and 15 years for property owners.

\*Property owners will be required to limit rent increases to the increase in the Consumer Price Index ("CPI") for the first five years after securing a matching grant. Thereafter, increases in rent should not exceed reported increases in prevailing commercial rents on neighboring Fifth and Seventh Streets between Stevenson and Harrison for the following ten years. If an Owner's tenant leaves before the fifteen-year period expires, the rent restriction must continue with future tenants under the same terms through the expiration of the fifteen-year period.

\*Property owners must also be in compliance with any Owner Participation Agreement/Land Disposition Agreements with the Redevelopment Agency in order to qualify for this program. This requirement ensures public funds do not provide a windfall profit to private owners.

## Use of Funds

Funds may not be used to address code violations, retire existing debt, make payment on delinquent taxes, make payroll, or purchase real estate or securities held for investment purposes. All cited code violations pertaining to retail or residential uses in the building must be corrected or in the process of being corrected prior to forgivable loan approval.

## Borrower Agreements

Borrower agrees to comply with the Redevelopment Agency's:

- 1) Minimum Compensation Policy,
- 2) Health Care Accountability Policy,
- 3) Nondiscrimination in Contracts and Benefits,
- 4) Construction Workforce and Equal Business Opportunity Provisions; and
- 5) Prevailing Wage Provisions.

## **Contracting Requirements**

Contractors must comply with Construction Workforce Agreement.

- 1) Three contractor estimates must be obtained for each project.
- 2) Contractors must pay prevailing wages for all work including the owner's share of construction costs.
- 3) Contractors must submit weekly certified payroll for all work.
- 4) Contractors must make best efforts to recruit from local employment agencies, e.g., the South of Market Employment Center.
- 5) Contractors with twenty or more employees must comply with Minimum Compensation Policy and Healthcare Accountability Policies.

## **Ineligible Businesses**

- 1) Professional offices (*\*Certain exceptions may apply.*)
- 2) Non-retail businesses
- 3) Uses that have led to recurrent problems of public safety and welfare or that contribute to conditions of blight as defined by Community Redevelopment Law

## **Property Acquired by the REDEVELOPMENT AGENCY**

If the REDEVELOPMENT AGENCY acquires the property from a forgivable loan recipient (Borrower) for the rehabilitation or new construction of a development that includes any of the following uses: affordable housing, ground level retail, cultural and/or community serving uses; the Borrower agrees to reduce the acquisition price of the property by the aggregate amount of the funds provided by the Redevelopment Agency pursuant to the forgivable loan program.

## **Building and Sidewalk Appearance**

- 1) All unoccupied retail spaces must be kept in good and rentable condition.
- 2) Sidewalks in front of property must be kept clean and clear of litter and graffiti at all times.
- 3) Exterior lighting and security cameras are highly recommended.
- 4) Nuisance issues reported to the appropriate city department for remedy, e.g. illegal behavior, camping out, loitering, etc.