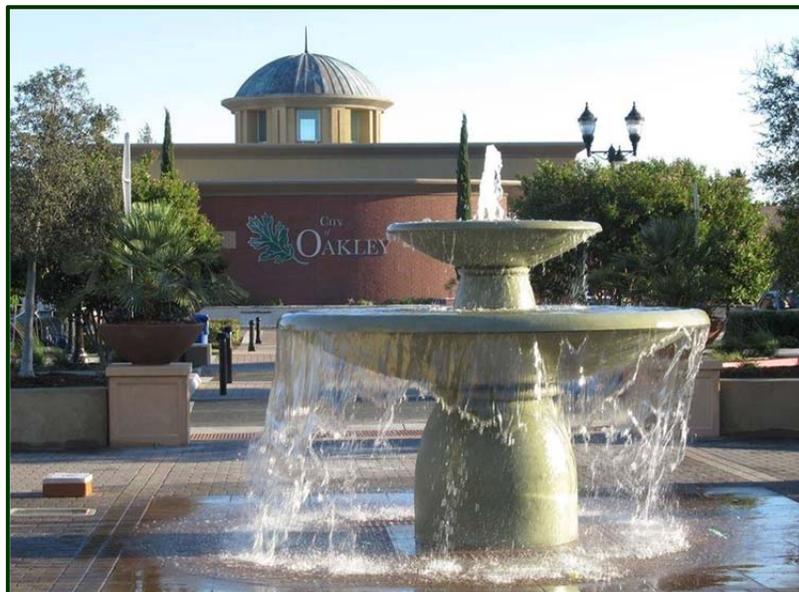




City of Oakley

Downtown Revitalization
Loan Program

2014 - 2015



Executive Summary



As the City of Oakley has experienced its growth, a continuing goal has been to maintain its small town character, particularly in the downtown area. The City has partnered with the private sector to make a substantial financial commitment to the downtown corridor with the development of the Civic Center Plaza, the Oakley Plaza and neighboring commercial uses.

The goal of the Downtown Revitalization Loan Program is to leverage public funds and private investment to further enhance the physical appearance and economic vitality of the commercial buildings and businesses in the downtown corridor. The long-term objectives of the program include improving the physical appearance of the buildings and area, encouraging the retention and attraction of businesses to the corridor, increase property values, increase tenant stability, increase pedestrian walkability and create a stronger “sense of place”.

Loan funds under the program can be used in the following ways:

1. Façade Improvements
2. Landscaping and exterior lighting
3. Signage
4. ADA compliance
5. Building infrastructure upgrades needed for new tenant conversion
6. Demolition

Goals

 Leverage public funds and private investment to enhance the physical appearance and economic vitality of the commercial buildings and businesses in the downtown corridor

 Encourage the retention and attraction of businesses

 Increase property values

 Increase tenant stability

 Increase pedestrian walkability

 Create a stronger “sense of place”

Loan Parameters

❖ **Eligible Applicants**

- The loan program is targeted to property owners and/or tenants located in the Oakley Downtown Specific Plan Project Area (see attached map)
 - A tenant with a remaining lease term of 10 years or more may be eligible for the Program, with written consent of the property owner
 - With the recommendation of City staff, the Oakley City Council may consider a loan outside of the Downtown Specific Plan Project Area for a project that exceeds the stated objectives of the program and will act as a catalyst to the economic development goals of the entire City.

❖ **Maximum Loan Amount**

- The Program will fund up to \$75,000 of approved project costs
- With the recommendation of City staff, the Oakley City Council may consider approval of a loan higher than the maximum limits for a project that exceeds the stated objectives of the Program and will serve as a catalyst for future improvements in the Downtown
- Loan funding will be available on a first-come, first-serve basis

❖ **Project Equity Requirements**

- Loan applicant is required to contribute minimum equity of 10% of the total project costs
- Proof of applicant equity expenditures is required prior to loan funding

❖ Collateral Requirements

- Each loan shall be secured with appropriate collateral as determined by City staff. Typical collateral could include a Deed of Trust, UCC Filing and/or a personal guarantee

❖ Loan Terms

- The term of the loans will be 5 years for loans up to \$25,000 and 10 years for loans greater than \$25,000
- Of the total loan amount approved, 50% will be issued as a forgivable 0% interest loan. This portion of the loan will be written down in equal annual increments for the term of the loan, as long as the improvements are in place
- The remaining 50% of the approved loan amount will be in the form of a low interest loan at a 2% fixed rate for the life of the loan
- Loan payments may be deferred for a period of 12 months at the request of the applicant

❖ Prevailing Wage

- The applicant shall require its contractors and subcontractors to pay prevailing wages to all persons performing work on the project as required by California Labor Code section 1720.

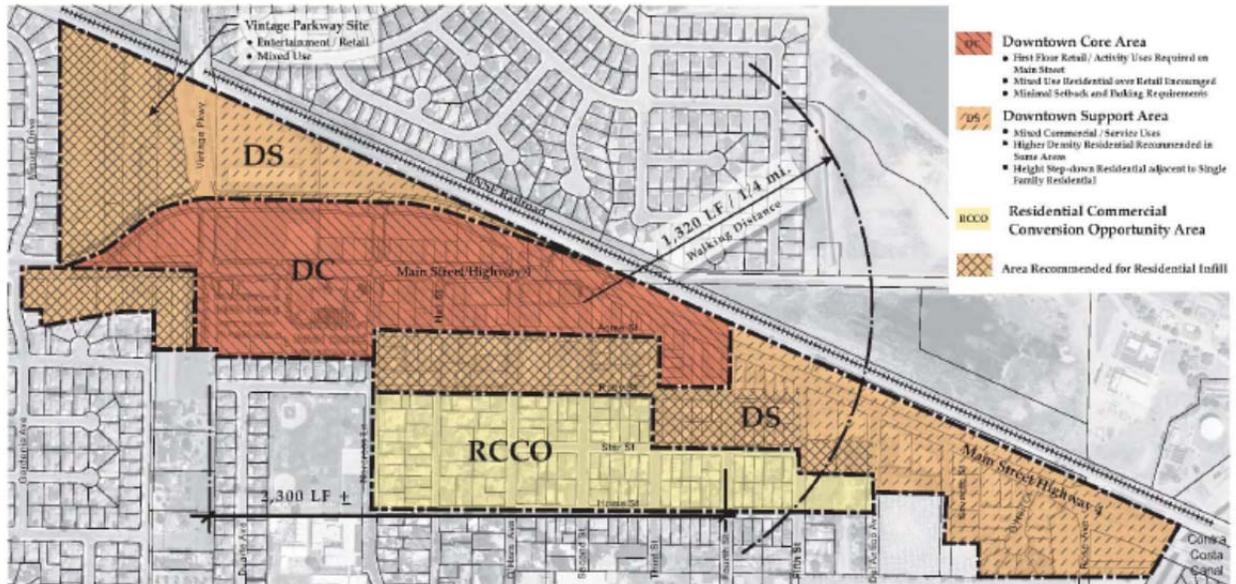
❖ Other Terms

- All improvements must conform with the Uniform Building Code and the City of Oakley Planning and Building permit and approval process
- Property owners with outstanding building code or code enforcement violations will not be eligible for the program
- Loans can be prepaid with no prepayment penalty
- If new applicant is approved, loans may be assumed
- Loan will become due and payable if:
 - Building is sold (loan to property owner)
 - Business is sold (loan to tenant)

Loan application process

1. Meet with Economic Development staff to discuss applicant's preliminary plans and proposed project impacts
2. The City of Oakley will provide an architect/design firm to provide conceptual drawings of the proposed improvements up to a maximum amount of \$2,000 per application.
3. Submit loan application together with the following:
 - a. Description of the proposed improvements
 - b. Description of the impact of the proposed improvements towards the stated goals of the program
 - c. Preliminary cost estimate
 - d. Proof of property ownership or long-term lease agreement with attached property owner consent
 - e. Proof of loan repayment ability in the form of three years tax returns/and or business financial statements
4. Loan applications will be reviewed by City Staff, recommended to the City Manager and considered by the City Council for final approval based on the following criteria:
 - a. Strength of project impacts towards program goals of enhancing the physical appearance and economic vitality of the downtown corridor
 - b. Applicant credit history to be pulled at time of application
 - c. Applicant equity requirement
 - d. Applicant loan repayment ability
5. Loan funds will be dispersed after proof of project equity funds verified and loan documents executed

Map of Downtown Project Area



Downtown Specific Plan Subarea Map

Figure II.1