



CITY OF SANTA CRUZ STOREFRONT BEAUTIFICATION GRANT PROGRAM

PROGRAM INTRODUCTION

The City of Santa Cruz Storefront Beautification Grant Program is designed to stimulate investment in commercial buildings with storefront businesses. To encourage economic vitality and commercial viability of storefront businesses, the City will share the costs of improving and enhancing commercial storefronts with grants of up to \$15,000 for storefront beautification projects that meet the program eligibility criteria. The Storefront Beautification Program hopes to accomplish the following goals:

1. Visually improve storefronts and streetscapes and
2. Enhance prominent retail and commercial areas

The Storefront Beautification Grant Program will be awarded on a first come, first served basis to eligible applicants whose projects meet the storefront improvement eligibility criteria described below. Projects may include certain exterior façade improvements to first floor commercial storefront retail, restaurants, or service businesses. Additionally, the grant program will fund minor design services associated with eligible façade improvements. Download the application checklist and apply below.

PROGRAM ELIGIBILITY AND FUNDING

Applicant Eligibility

Applicants must meet the following eligibility criteria:

1. A commercial storefront property in the City of Santa Cruz serving a retail, food service, ground floor office, or personal service use; and
2. The applicant is a City of Santa Cruz business owner or City of Santa Cruz commercial property owner.
3. The business/tenant must have a City of Santa Cruz business license and there must be no active code violations on the building and/or business.

Funding and Project Eligibility

The City of Santa Cruz Economic Development and Housing Department has limited funding for this reimbursable Storefront Beautification Grant Program and grants will be administered in the order of complete applications received until funds are exhausted. The Storefront Beautification Program incentivizes existing and new businesses with improvements to their storefronts and is a tool to support the re-tenanting of vacant commercial spaces by improving curb appeal. The program includes the following elements:

1. **Façade Improvements:** The Storefront Beautification Grant Program will provide 50% matching City grant funds to Grantees, in an amount not to exceed \$15,000. A business or



property owner can pursue a one-time, one-tier grant for a single improvement project and only one grant can be awarded to the business and/or property owner in a ten-year period. Projects must provide a material improvement or change to the facade and may not be used for basic repair or rehabilitation of existing storefront features. Staff will apply appropriate grant tier based on submitted Scope of Work. Storefront Beautification Grants will be reimbursed according to the tiered system shown in Table 1:

Table 1: Façade Improvement Tiers

Tier	Type of Façade Improvements	Maximum Grant Matching Amount
Tier 1	Non-architectural improvements: anti-graffiti coating, new signage, minor landscaping	\$5,000
Tier 2	Exterior painting, awnings, lighting	\$10,000*
Tier 3	Architectural improvements: Window or door refurbishment/replacement, updated facade features (ex: tile, brick, etc.) **must include 2-3 improvements from any tier	\$15,000*

***any project over \$15,000 will be subject to prevailing wage.**

2. **Design Services:** Grantees for Tier 3 may request an additional \$1,000 for design services to help guide the design for eligible façade improvements. Grantees will be able to choose one of the following options related to design services:

- a. **Option 1: Choose to work with a city-retained design consultant and the City will pay the consultant for their services directly.** The City will retain the services of a qualified design consultant to provide guidance on eligible façade improvements and will pay the consultant directly related to the services provided as part of this grant program.

Design Services from the city-retained consultant may include:

a) Pre-contract consultation with business or property owner to discuss preliminary design concepts and determine total project costs.

b) Architectural design guidance for eligible façade improvements

- b. **Option 2: Choose to work with a firm of your choice and for a maximum reimbursable amount of \$1,000.** Grantees who wish to work with a licensed design professional of their choice will need to identify in their application the qualifications of the design professional and the services to be provided by the design professional **for approval** in the application process before submitting proof of payment in accordance with the standard reimbursement request process.



Reimbursement

Storefront Beautification projects are reimbursable (with the exception of services provided by the city-retained architect). Grant funds will be issued to Grantees through reimbursement based upon an approved scope of work, including cost estimate(s), and issued City permit(s), if required, associated with each grant application approved. Grantees will need to be prepared to cover all façade improvement costs up front and must retain and provide proof of payment in the form of a copy of the check or bank statement showing all work has been paid to vendors/contractors consistent with the approved scope of work before being reimbursed by the City for the agreed upon grant amount.

The maximum grant value will not exceed **\$15,000**.

Example: If the total project cost is \$30,000 or more, the Grantee may be reimbursed the maximum grant award of \$15,000 (after the project is complete, and a reimbursement request is submitted and approved). If the Grantee opts in to receive design assistance from a City-retained consultant, they will receive services equaling to an additional \$1,000, for a total grant value of \$16,000.

APPLICATION AND REVIEW PROCESS

The Storefront Beautification Grant Program is a citywide program. Grants will be awarded on a first come, first served basis to eligible applicants whose projects meet the Storefront Beautification grant eligibility criteria and submits a complete application. Applications will be accepted until grant funds are exhausted.

1. Review Program guidelines. to understand the program goals, eligibility criteria, documents required, and process.

2. Submit a complete application. Property owner and/or business owner must submit the following to the City staff. The application will include:

- Applicant information, site information, and an acknowledgement / signature
- If applicant is a tenant, a copy of the existing lease with a minimum of three years remaining from the date of application. *Exceptions can be made in cases where the term of lease is less than three years, applicant should consult with Economic Development Staff.
- If application is a tenant, the application must include the property owner's project acknowledgement and signature granting permission to proceed with the Storefront Improvement
- Project information and scope of work details
- Vendor/contractor estimates (any projects over \$5,000 require three written bids – any work exceeding \$15,000 must provide prevailing wage bids) The City approved contractor list can be found [here](#).
- Photos or drawings of existing conditions.
- Send the completed application documents using this [form](#).



3. City staff will review applications. A committee of internal staff will review applications and follow up with applicants to discuss the scope of work. Staff may approve, deny, or approve with conditions. Staff will advise grantees on the permitting requirements once review is complete. Program applications will be reviewed on a first come, first serve basis, and evaluated based on the fulfillment of the program goals.
4. Selection of grantees and contract. Once the grant is awarded, the grantee must enter into an agreement with the City of Santa Cruz to carry out the work as described in the final approved scope of work.
5. Grantee to secure necessary Permits. If Planning or Building permit approval is required, the grantee is responsible for submitting project plans to the respective divisions. When a planning permit is required, project plans must be prepared by a licensed design professional. When a building permit is required, plans must meet all Code requirements through the Building Division. See Table 2: Facade Improvement Permit Matrix for additional details on permits required.
6. Complete the work. After receiving all required approvals and permits, the grantee shall start improvements within 30 days and complete the improvements within six (6) months or within the timeline designated within the agreement. The applicant is responsible for contacting City staff to request an extension if necessary (an extension is not guaranteed). All permits must have completed final inspections prior to reimbursement.
7. Standard reimbursement request process. Grantee must submit all documentation as required within 30-days of project completion or planning/building permit approval. Documents for reimbursement include proof of payment, such as invoices and a copy of check or credit card statement. The request for reimbursement will need to include an itemized list of all expenses and corresponding receipts or proof of payment as documentation for any and all expenses and must follow the schedule outlined in the Grant contract.

PREVAILING WAGE

Use of public funds may trigger prevailing wage requirements per the [California Department of Industrial Relations \(DIR\)](#). Prevailing Wage is the basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft, classification or type of work within the locality and in the nearest labor market area (if a majority of such workers are paid at a single rate).

Prevailing wages shall be paid when the total project cost is \$15,000 or more. Prevailing wage may also be triggered if other construction is being done at the same time, even if it is not part of the storefront improvement scope of work. Where the total project cost is \$15,000 or more, all estimates and payments for construction and installation of façade improvements shall include prevailing wages and shall otherwise comply with the provisions of Sections 1773.8, 1775, 1776, 1777.5, 1777.6 and 1813 of the California Labor Code and all other applicable laws and regulations with respect to prevailing wages.



Where prevailing wage is triggered, in accordance with Labor Code section 1720 et seq., prevailing wages shall be paid for all façade improvements; use of volunteer labor is not allowed. California [wage schedules](#) are available from DIR. Participants in the program are responsible for ensuring that the improvements are in compliance with the Prevailing Wage Law, and all projects are registered with the Department of Industrial Relations.

[Frequently Asked Questions - Prevailing Wage \(dir.ca.gov\)](#)

PERMITS REQUIRED

Most Storefront Improvement projects will require permits through the Building and Planning Divisions. Please refer to the Table 2 below.

Table 2: Façade Improvement Permit Matrix

Element	Planning Permit	Building Permit
Anti-graffiti coating	No	
Signage	Yes - Sign Permit	Yes - Sign Permit
Minor landscaping	Design permit based on project valuation	
Exterior painting	Design Permit based on project valuation, if included with a larger improvement project.	Yes - could be required for scaffolding (and an encroachment permit possibly) but not for the actual painting process.
Awnings	Sign Permit* Design Permit based on Project valuation	Yes
Lighting	Design Permit based on Project valuation or Sign Permit if associated with signage possibly.	Yes
Window or door refurbishment/ replacement	Design Permit based on project valuation	Yes
Updated facade features (ex: tile, brick, etc.)	Design Permit based on project valuation	
Project over \$10,000 in Downtown Plan and Mission Street Area Plan and \$50,000 outside of Downtown	Design Permit	

*Sign Permit required if awning includes any business name or services

**If the building is historic, some of these things that could require a Design Permit could also require a Historic Alteration Permit



Permitting questions should be directed to the Planning Department

- In person: Planning Counter – 809 Center St., Room 101 Monday-Thursday 7:30-11:30am
- By email: planningcounter@santacruzca.gov
- By phone: 831-420-5416 (Monday – Thursday, 8:00am-4:00pm, excluding 12:00-1:00pm)

Contractor requirements: All contractors hired for a Storefront Beautification Grant project bid at \$15,000 and above are required to be licensed contractors and must be paid in compliance with the Prevailing Wage Law; applicants must provide proof of compliance. For all grants, 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.

Additional permit resources:

- [Planning Landing Page](#)
- [Building Landing Page](#)
- [Sign Permit > Apply for Sign Permit](#) – pilot program for Sign Permits to be issued over the counter
- [City of Santa Cruz Municipal Code – Signage](#)
 - [Downtown Sign Guidelines](#)
 - [Eastside/Midtown Sign Guidelines](#)
 - [Mission Street Sign Guidelines](#)
 - [Ocean Street Sign Guidelines](#)
- Design Permit, required if:
 - Improvements are more than \$10,000 outside of Downtown
 - Improvements are more than \$15,000 in Downtown