

CITY OF MERCED
Development Services

TO: Design Review Commission
FROM: Daniel Ainslie, Acting Development Manager
Joshua R. Ewen, Redevelopment Technician
DATE: April 13, 2011
SUBJECT: Explanation of Process Used for Residential Façade Improvement Program for 230 W. 18th Street (*continued from March 16, 2011*)

RECOMMENDATION:

For information and discussion only.

POSSIBLE COMMISSION ACTIONS:

For information and discussion only.

BACKGROUND

On November 18, 2008, the Agency Board and City Council approved the creation of a Residential Façade Improvement Grant Program to target improvements to residential structures within the Redevelopment Agency project areas as a means to combat urban blight and reinvest in struggling neighborhoods. The grant program disburses up to \$18,000 to owners of single family and multifamily residential property upon completion of improvements to exterior facades of the degraded structures.

The Redevelopment Agency Board carefully structured the program. The program has two separate oversight committees. The first of which is the Design Review Committee (DRC). The role of the Committee is to review the aesthetics of the project and ensure that the project would be a net improvement to the neighborhood. This review includes landscaping, paint, windows, and other items that alter the appearance of the building from the public right-of-way.

The second committee is the Redevelopment Advisory Committee (RDAC). The role of RDAC is to review and ensure that the expenditure of funds reduces the presence of blight within the project area and enhances the economic viability of the neighborhood.

Customarily, projects are brought before DRC before the project is presented to RDAC. This did not occur for the review of 230 W. 18th Street. In this case, the DRC meeting of February 16 occurred after the February RDAC meeting. Had RDAC waited until after the project had been reviewed by DRC, then the project would have been reviewed by RDAC in March. It has been vitally important to encumber funds for projects since the

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Governor's proposal to eliminate Redevelopment. In the broadest sense, the intent of the proposal is to confiscate the local funds and transfer the money to the State coffers. Due to this pressing reality, staff reversed the traditional order of project approvals.

The approval by RDAC did encumber and reserve the funds. RDAC did so for several reasons:

- In its existing condition, the building is a severe blight on the neighborhood
- The owner has thus far neglected regular maintenance on the building, though the building appears to be structurally sound
- The inclusion of the building in the Façade Program would place maintenance covenants on the property, requiring the owner to maintain the building
- The low commercial values of the area hinder the likelihood of the building being demolished and replaced with a commercial use
- The loss of Redevelopment resources virtually eliminates the possibility of providing a complete reinvestment in the property
- The Agency is working in conjunction with Maxwell Construction to construct the largest infill housing project in at least 5 years across the street from the building in question

RDAC discussed in detail the proper role of the Façade Grant funds. The Committee believed that a total reconstruction of the property to a commercial use would not occur in the foreseeable future. The Committee further believed that given its blighted condition and the continued reinvestment in the surrounding neighborhood, it was vital for the economic stability of the neighborhood to improve the structure.

This recommendation is consistent with the intent of the program. RDAC has provided the policy guidance as to the expenditure of the funds. With that direction, staff sought guidance from the DRC as to the appearance of the building's improvements, and the DRC approved the project at their February 16, 2011, meeting.

During the DRC meeting, staff would like to further clarify the actions that occurred relative to the 230 W. 18th Street Review.