DATE: April 10, 2019
TO: Economic Development Subcommittee
FROM: Cleese Relihan, Economic Development Specialist
SUBJECT: Addressing Nuisance Commercial Properties

On March 29th, 2019, the Economic Development Subcommittee discussed strategies on addressing nuisance commercial properties and is being brought back for further discussion in light of the façade improvement program being prepared for Broadway and the implementation of the Vacant Commercial Maintenance Guidelines. In an attempt to mitigate the deterioration of available commercial buildings, some cities have adopted ordinances regulating public nuisances attributed to the presence of vacant commercial storefronts. With the concern of seeing chronic commercial vacancies not well maintained, in both the Broadway and Burlingame Avenue commercial districts, five suggested strategies can be pursued that encourage available commercial spaces are advertised more effectively, that property owners are aware of their obligations to maintain their property, and can reduce the likelihood that nearby businesses are negatively impacted by vacant commercial spaces. The first three strategies are policies and the last two are financial incentive programs.

One approach can be to include in the Burlingame Municipal Code an ordinance that states property owners and property management companies are to maintain their vacant buildings located within a designated business district as is done in San Mateo City. The City of San Mateo requires storefront windows of vacant buildings to be covered with paper to prevent the public from seeing the interior of the building and provides property owners the option to use decorative art to cover the window. San Mateo also has an awning maintenance requirement for vacant and occupied commercial buildings. In San Mateo County, one city (San Mateo City) had this in their municipal code.

A second approach can be to require property owners or property management companies to create a vacant property maintenance plan with city staff as is done in San Bruno. Some items required to be included in the maintenance plan includes information about the property, contact information of person submitting the plan and of the individual(s) responsible for the property, a copy of a notice to adjacent properties with contact information of the person maintaining the space, and plan on how the space will be made ready for occupancy. Prior to the completion of the application, an inspection of the space is required. This strategy can improve communication between the city staff and property owners. In San Mateo County, two cities (San Bruno and East Palo Alto) require vacant property maintenance plans.
A third alternative can be to establish a vacant commercial property registration program. The registration system ensures that city staff is cognizant of available commercial spaces, can develop a more detailed database about the available commercial spaces along with the latest contact information, and can set clear guidelines for the property owners’ obligations for maintaining an available commercial storefront.

VPROs usually require property owners to:

- Register their vacant commercial storefronts with city staff
- Better secure their commercial storefronts to prevent vandalism or unwanted entry
- Remove debris and maintain the surrounding area
- Motivate property owners to restore their properties to meet building and fire codes
- Ensures city staff has a more complete list of contacts of property owners and detailed information about the available spaces
- Encourage better advertising of available spaces

The City and County of San Francisco has a VPRO program that includes an annual registration fee. Cities in San Mateo County have not adopted this strategy. The registration fee is considered a tax on vacant commercial properties in the hopes to encourage property owners to fill their vacant commercial spaces or to redevelopment the site.

Financial incentives can be another strategy in encouraging property owners and property management companies to maintain their storefront windows. We are currently working on a commercial façade improvement pilot program for Broadway downtown that can assist property owners struggling to cover the costs of repairing or improving the façade that could increase the chances of attracting and securing a leasing contract with an interested business. The City of San Carlos and the City of San Bruno used to offer a building façade improvement grants until the Redevelopment Agency was dissolved. The City of San Carlos has included in their economic development plan that funding for façade improvements could come from grants or local sources. There are cities outside of San Mateo County that do offer façade improvement matching grants or reimbursement programs including City of Dublin, City of Sebastopol, City of Stockton, and City of Oakland. Attached to this memo is our latest draft façade improvement program.

Sometimes tenant improvement grant programs can motivate the property owner or property management company to cover the costs of improving the façade of their building while they are improving the interior of their space. A specialized type of tenant improvement grant known as “white box” grant programs are designed to encourage redevelopment of commercial buildings that may not be up to building codes and can make the interior of the space more appealing to potential businesses. White Box incentives typically help fund improvements to heating/cooling systems, lighting, electrical systems, bathrooms, and ceiling and floor repairs. Attached to this memo is an example application from City of Racine. White Box grant programs have not yet...
been tested by cities in San Mateo County but are being used by other cities outside of California. The City of Oakland offer reimbursement grants for tenant improvement.

**Applicability to Burlingame:**
In both the Broadway and Burlingame Avenue commercial districts, chronic vacancies can harm the districts by discouraging patrons from dining and shopping. Chronic vacant commercial storefronts can be viewed as blight or give the image that a downtown is on an economic decline. Trash and unwanted materials may also pile up in or near vacant buildings.

Five approaches to encouraging property owners and property management companies to maintain vacant commercial storefront windows have been included in this memo. Ordinances that require properties to be maintained or offering of financial incentives can be a great opportunity for the City to show the community its dedication to assisting the business community and its support to property owners struggling to fill those vacancies.

Strategies that have been implemented include the creation of the vacant commercial space maintenance guidelines for property owners and managers and letters sent to property owners and managers to explain the City’s expectations that vacant commercial property needs to be maintained.

Attached to this memo are nine exhibits:

- Exhibit A – San Mateo City Central Business District Property Maintenance Code
- Exhibit B – San Bruno Vacant Property Maintenance Plan
- Exhibit C – San Francisco vacant and abandoned commercial storefronts and registration fee ordinance
- Exhibit D – San Francisco ordinance FAQs
- Exhibit E – City of Racine, White Box grant program
- Exhibit F – Draft Façade Improvement Program for Burlingame (Jan. 2019)
- Exhibit G – Article on San Francisco Tax on Vacant Storefronts
- Exhibit H – Article on Residents Pushing Cities to Penalize Vacant Storefronts
- Exhibit I – Vacant Commercial Maintenance Guidelines
7.44.020 DEFINITIONS.

(a) CENTRAL BUSINESS DISTRICT (CBD). The portion of downtown San Mateo that is zoned as the CENTRAL BUSINESS DISTRICT.

(b) AWNING. For the purposes of this chapter, it is a rooflike cover, temporary in nature, which projects from the wall of a retail building or overhangs the public way.

(c) STOREFRONT WINDOW. Any window of any CBD property at street level that if not covered, would allow the public to see into the store.

(d) VACANT PROPERTY. For the purposes of this chapter, a CBD property is considered “vacant” if there is no current signed lease agreement, the property is not undergoing continuous remodeling or construction, or the property has been unoccupied or not open for business for more than thirty (30) days. (Ord. 1996-10 § 1, 1996).

View the mobile version.
7.44.040 VACANT BUILDING STOREFRONT WINDOW MAINTENANCE.

The storefront windows of any vacant CBD building must be covered with seamless paper (where such paper is available on the retail market) of a neutral color to completely obscure public view of the interior of the building. As an alternative, the owner of any vacant CBD building may cover the storefront window with decorative art. All window coverings must be kept in good repair and shall not be torn, damaged or otherwise left in a state of disrepair. (Ord. 1996-10 § 1, 1996).
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Title 7 HEALTH, SANITATION, AND PUBLIC NUISANCES
Chapter 7.44 CENTRAL BUSINESS DISTRICT PROPERTY WINDOW AND AWNING MAINTENANCE

7.44.050 AWNING MAINTENANCE.

All awnings on CBD buildings, whether occupied or vacant, must be kept clean and in good repair and shall not be defective, torn, badly faded, broken, damaged, or otherwise in a state of disrepair. (Ord. 1996-10 § 1, 1996).

View the mobile version.
5.26.030 Registration of foreclosed vacant properties.

A. Any beneficiary/trustee who holds a deed of trust secured by property located within the city of San Bruno shall register with the community development department when any of the following events occur:

1. Within thirty days of the purchase and/or transfer of a loan/deed of trust secured by property in San Bruno;

2. Within thirty days upon default by the trustor if the property is abandoned. The beneficiary/trustee shall perform an inspection of the property that is the security for the deed of trust, within thirty days upon default by the trustor to determine whether the property is abandoned. If the property is found to be vacant or shows evidence of vacancy, it is, by this chapter, deemed abandoned and the beneficiary/trustee shall comply with the registration requirement set forth herein. If the property is occupied but remains in default, it shall be inspected by the beneficiary/trustee, or designee, monthly until the trustor or other party remedies the default or it is found to be vacant or shows evidence of vacancy at which time it is deemed abandoned.

B. The following registration information shall be provided to the city:

1. The name of the beneficiary/trustee (corporation or individual);

2. The direct street/office mailing address and contact information (phone, fax, and electronic address) of the beneficiary/trustee (no P.O. boxes) responsible for receiving payments;

3. The direct street/office mailing address and contact information (phone, fax, and electronic address) for the person or party designated by the beneficiary/trustee as responsible for maintenance of the property.

C. Registration of the required information may be accomplished by any of the following methods:

1. By completing and returning to the community development department a city-provided registration form; or

2. By registering with a city-approved national data base that contains the information set forth herein and which service the city may access at no cost. From time to time, the city manager may approve acceptable national data bases which shall be identified in writing and which shall be posted in the community development department and on the city’s web-site.

D. Registration fee.

1. A registration fee to reimburse the city for the cost incurred as a result of administering this program shall accompany the registration form and the fee shall be set from time to time by the city council by resolution.

2. The registration fee shall be waived if the property is registered within the time frame and methods required by this chapter.

E. This chapter shall also apply to properties that have been the subject of a foreclosure sale where the title was transferred to the beneficiary of a deed of trust involved in the foreclosure and any properties transferred under a deed in lieu of foreclosure/sale.

F. Any person, firm or corporation that has registered a property under this chapter must report any change of information contained in the registration within ten days of the change. (Ord. 1768 § 2, 2008)
5.24.040 Vacant property maintenance plan.

A. The community services director shall approve a vacant property maintenance plan if after inspecting the property, the information in the plan is sufficient to meet the requirements of this section. If the director rejects the plan, it shall be done in writing, providing the basis for the rejection along with a reasonable deadline for submitting a new plan or a time frame for appealing the director’s decision as set forth in this chapter.

B. The vacant property maintenance plan shall provide the following:

1. The name, address, and contact information (telephone and electronic mail address) of person submitting the vacant property maintenance plan, of all responsible persons of the subject property, and twenty-four hour contact number for the person designated to manage and maintain the property for the responsible person;

2. A copy of a letter or other notice to properties immediately adjacent to and across from the subject property advising the residents of the name and twenty-four hour contact number for the person responsible for managing and maintaining the property; and

3. A plan for actively monitoring, maintaining and securing the property for the anticipated or expected period of vacancy that demonstrates how the property will be maintained to achieve the following minimum maintenance and security requirements:

   a. The property shall be kept free of weeds, dry brush, dead vegetation, trash, junk, debris, building materials, any accumulation of newspapers, circulars, flyers, notices, except those required by federal, state or local law, discarded personal items including but not limited to furniture, clothing, large and small appliances, printed material or any other items that give the appearance that the property is vacant.

   b. The property shall be maintained free of graffiti, tagging or similar markings by removal or painting over with an exterior grade paint that matches the color of the exterior of the structure.

   c. Visible front and side yards or accessible areas that are visible from the right of way shall be landscaped and maintained such that grass, ground covers, bushes, shrubs, hedges or similar plantings receive regular watering, irrigation, cutting, pruning, mowing and removal of all trimmings.

   d. The exterior of structures visible to the right of way shall be kept free of obvious peeling paint and dilapidated stairs, handrails, or structures.

   e. Pools and spas shall be kept drained and secured or kept in working order so the water remains clear and free of pollutants and debris or drained and kept dry. In either case properties with pools and/or spas must comply with the minimum security fencing and safety requirements of the state of California.

   f. The property shall be secured in a manner so as not to be accessible to unauthorized persons nor creates an attractive nuisance (as defined in Chapter 5.04 of this code), including but not limited to, closing and locking of windows, doors and garage doors, gates and any other opening of such size that it may allow access to the interior of the property and or structure(s). In the case of broken windows, securing means the reglazing or boarding of the window.

4. A plan to make any buildings ready for occupancy that could not be legally occupied under state and local law at the time for submission of the plan.

5. If required by the director, a plan to occupy, sell, lease, or demolish a structure within a reasonable time.

6. Any other information reasonably required by the director in order to effectuate the purposes of this chapter.

7. Submission of a vacant property maintenance plan fee in accordance with this chapter.
C. If the responsible person is located more than forty miles from the property, a local property management company within forty miles shall be contracted to perform monthly inspections to verify that the property is in compliance with the requirements of this chapter. Alternatively, the community development director may approve the owner’s designation of a property management company in excess of the forty-mile radius provided the management company has a twenty-four hour seven-day a week contact number to report problems and complies with the requirements of this chapter as it pertains to the subject property.

D. In addition to the enforcement remedies established by this code, the community development director or designee shall have the authority to require the responsible party to implement additional maintenance and/or security measures including but not limited to securing any/all door, window or other openings, installing additional security lighting, increasing on-site inspection frequency, employment of a property manager and/or an on-site security guard or other measures as may be reasonably required to arrest the decline of the property.

E. Nothing in this chapter relieves any responsible person from the obligation to comply with any other provision of the city’s nuisance code (Chapter 5.04) or any other requirement set forth in this code or at law.

F. Transfer of Vacant Property. The transferee of a vacant property is subject to the requirements of this section and the seller shall provide the transferee with a copy of the vacant property maintenance plan. (Ord. 1767 § 2, 2008)
Ordinance amending the Building Code to establish a procedure for maintaining and registering vacant or abandoned commercial storefronts, including imposition of a registration fee.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font. Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings. The Board of Supervisors hereby finds and determines that:

Every commercial corridor in San Francisco has longstanding and blighted vacant commercial storefronts. In addition to being eyesores, these vacant commercial storefronts have a detrimental impact on the economic viability of the commercial corridors in which they are located. Vacant storefronts often attract illegal activity, such as squatting, vandalism, and dumping. Such activity not only repels would-be customers and patrons from commercial corridors, but also places an undue burden on City agencies. The Police Department and the Department of Public Works drain their resources by routinely responding to the same vacant commercial storefronts to remove trespassers, clean up graffiti, and remove illegally discarded refuse and debris.

Section 2. Pursuant to Charter Section D3.750-5, the Building Inspection Commission considered this ordinance on June 18, 2014 at a duly noticed public hearing.

Section 3. Findings under the California Health and Safety Code. The Board of Supervisors hereby finds that this ordinance does not modify a State "building standard," as that term is defined in Section 18909 of the California Health and Safety Code. Therefore, the
finding of local climactic, geological, or topographical conditions required by Sections 18941.5 and 17958.7 of the California Health and Safety Code is not required.

Section 4. The Building Code is hereby amended by amending Section 103A.4.1 to read as follows:

103A.4.1 Definition. A building shall be defined as a vacant or abandoned if it (1) is unoccupied and unsecured; or (2) is unoccupied and secured by boarding or other similar means; or (3) is unoccupied and unsafe as defined in Section 102A of this Code; or (4) is unoccupied and has multiple code violations; or (5) has been unoccupied for over 30 days. A building which is partially unoccupied and has been cited for blight under Chapter 80 of the San Francisco Administrative Code, shall also be deemed a vacant or abandoned building that is subject to this Section. Commercial Storefronts, as defined in Section 103A.5.1 of this Code, located within vacant or abandoned buildings shall be subject to the enforcement provisions in Sections 103A.5-103A.5.6 of this Code.

For purposes of this Section 103A.4. a building shall not be considered vacant or abandoned if:

(1) There is a valid building permit for repair, rehabilitation, or construction of a building on the parcel and the owner completes the repair, rehabilitation, or construction within one year from the date the initial permit was issued; or

(2) The building complies with all codes, does not contribute to blight as defined in Chapter 80 of the San Francisco Administrative Code, is ready for occupancy, and is actively being offered for sale, lease, or rent.

Section 5. The Building Code is hereby amended by adding Section 103A.5 including Sections 103A.5.1 through 103A.5.6, to read as follows:
SEC. 103A.5.: VACANT OR ABANDONED COMMERCIAL STOREFRONTS—ANNUAL REGISTRATION; REGISTRATION FEES; MAINTENANCE AND SECURITY REQUIREMENTS.

SEC. 103A.5.1. DEFINITIONS.

For the purposes of Section 103A.5, including Sections 103A.5.1-103A.5.3.6:

"Commercial Storefront" A Commercial Storefront shall be any area within a building that may be individually leased or rented for any purpose other than Residential Use as defined in Planning Code Sections 790.88 and 890.88.

"Vacant or Abandoned." A Commercial Storefront shall be Vacant or Abandoned if it (1) is unoccupied and unsecured; or (2) is unoccupied and secured by boarding or other similar means; or (3) is unoccupied and unsafe as defined in Section 102A of this Code; or (4) is unoccupied and has multiple code violations; or (5) has been unoccupied for over 30 days. Notwithstanding the foregoing sentence, a Commercial Storefront shall not be considered Vacant or Abandoned if:

(1) There is a valid building permit for repair, rehabilitation, or construction of the Commercial Storefront and the owner completes the repair, rehabilitation, or construction within one year from the date the initial permit was issued, unless the Department, in its sole discretion, determines that the owner needs additional time to complete the repair, rehabilitation, or construction of the Commercial Storefront; or

(2) The owner or leaseholder has filed an application for, and is actively seeking to obtain, authorization, permits or a license required by state or local law permitting the lawful use and occupancy of the Commercial Storefront; or

(3) The Commercial Storefront complies with all provisions of state and local law, does not contribute to blight as defined in Chapter 80 of the Administrative Code, is ready for occupancy, and the owner provides evidence satisfactory to the Department that the Commercial Storefront is actively being offered for sale, lease, or rent. Satisfactory evidence shall include, but is not limited to, evidence...
that the owner has hired a real estate agent or other rental agent who advertises and promotes the
Commercial Storefront for rent, lease or sale, or proof that the Commercial Storefront is offered for
sale on the Multiple Listing Service or any other comparable real estate listing service.

SEC. 103A.5.2. PROPERTY OWNER'S OBLIGATION TO REGISTER A VACANT OR
ABANDONED COMMERCIAL STOREFRONT; REGISTRATION FEE.

The owner of a Vacant or Abandoned Commercial Storefront shall, within 30 days after it has
become vacant or abandoned, register the Commercial Storefront with the Department on a form
provided by the Department. The form shall describe the methods by which the owner has secured the
Commercial Storefront against unauthorized entry, provide a contact phone number for the
Commercial Storefront owner or party responsible for maintenance of the Commercial
Storefront, state the most recent legal use of the Commercial Storefront, state the square
footage of the Commercial Storefront, declare any future plans for the Commercial Storefront, state
whether there is fire and liability insurance coverage, and provide such other information as the
Department may require. A registration fee shall be due 270 days after the Commercial Storefront has
become vacant or abandoned, unless the Director has issued a notice to register under Section
103A.5.4, in which case the registration fee shall be due 270 days after the issuance of the
notice ("registration payment deadline"). The registration payment deadline will serve as the date for
calculating an annual renewal fee which shall be paid every year the Commercial Storefront remains
Vacant or Abandoned. However, if the owner rents the Commercial Storefront to a tenant who
occupies the premises in a manner that complies with all provisions of state and local law prior to the
registration payment deadline, the Commercial Storefront shall be removed from the Department's
registry and the owner need not pay the registration fee. The registration fee shall be equal to the
amount due under Section 103A.4.2 of this Code. See Section 110A, Table 1A-J for applicable fees.

SEC. 103A.5.3. MAINTENANCE OF VACANT OR ABANDONED COMMERCIAL
STOREFRONT REGISTRY.
The Department shall maintain a registry of all Vacant or Abandoned Commercial Storefronts within the City and shall furnish a copy of the registry to the Office of Economic and Workforce Development at least once per fiscal quarter.

SEC. 103A.5.4. NOTICE.

Whenever the Director has probable cause to believe, based upon an inspection, complaint, or report from another agency of the City or other governmental agency, that a Commercial Storefront is Vacant or Abandoned and has not been registered as required by Section 103A.5.2, the Director shall serve the owner of record, as shown on the Assessor's Records, or authorized agent with a written notice requiring the owner to register the Commercial Storefront with the Department as Vacant or Abandoned within the period of time specified in the notice, which shall be no greater than 30 days. Additionally, the owner shall pay the associated registration fee within 270 days of the issuance of the notice to register if required by Section 103A.5.2. If the owner rents the Vacant or Abandoned Commercial Storefront to a tenant who meets all requirements provided in Section 103A.5.2 before the registration payment deadline lapses, then the owner need not pay the registration fee.

SEC. 103A.5.5. SIGN POSTING, MAINTENANCE, SECURITY, AND INSURANCE.

All requirements listed in Sections 103A.4.4-103A.4.6 of this Code shall also apply to Vacant or Abandoned Commercial Storefronts. All such requirements shall be fulfilled by the owner within 30 days of the Commercial Storefront becoming Vacant or Abandoned, or within 30 days of the issuance of notice to register, regardless of the owner's intentions to rent the Commercial Storefront before the registration payment deadline lapses.

SEC. 103A.5.6. VIOLATION A PUBLIC NUISANCE; ENFORCEMENT.

A Commercial Storefront in violation of this Section 103A.5, including Sections 103A.5.1-103A.5.6, is deemed to be a public nuisance and subject to enforcement by the Department and

(a) Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

(b) Undertaking for the General Welfare. In enacting and implementing this ordinance, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it would be liable in money damages to any person who claims that such breach proximately caused injury.

(c) No Conflict with State or Federal Law. Nothing in this ordinance shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any State or federal law.

(d) Severability. If any of section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this ordinance would be subsequently declared invalid or unconstitutional.

(e) Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code.
Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
NICHOLAS COLLA
Deputy City Attorney

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Ordinance amending the Building Code to establish a procedure for maintaining and registering vacant or abandoned commercial storefronts, including imposition of a registration fee.

July 14, 2014 Land Use and Economic Development Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

July 14, 2014 Land Use and Economic Development Committee - RECOMMENDED AS AMENDED

July 22, 2014 Board of Supervisors - AMENDED
Ayes: 10 - Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee
Excused: 1 - Avalos

July 22, 2014 Board of Supervisors - PASSED ON FIRST READING AS AMENDED
Ayes: 10 - Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee
Excused: 1 - Avalos

July 29, 2014 Board of Supervisors - FINALLY PASSED
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 7/29/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved: 8/7/2014
ORDINANCE 182-14
VACANT / ABANDONED COMMERCIAL STOREFRONTS

Frequently Asked Questions

Have you recently acquired property which had been placed on the vacant or abandoned commercial storefront list, and you wish to remove or deregister it as being currently occupied?

If the property you have recently acquired by ownership or lease agreement is being occupied by you, you must provide proof of occupancy in order for the department to deregister your property from the Vacant or Abandoned Commercial Storefront list. Such proof of occupancy may be determined from the submittal of the following:

If property is owner occupied:
1. A copy of your most recent PG&E or gas and electric statement indicating property address
2. A copy of your most recent Recology or garbage statement indicating property address
3. A copy of your most recent PUC or water statement indicating property address
4. A copy of your current lease or rental agreement indicating property address

Have you recently been issued a valid Building Permit Application for the property on the Vacant or Abandoned Commercial Storefront list?

Depending upon the type and scope of the building permit issued, you can contact the Building Inspector directly to ascertain if said permit will enable you to deregister the property from the Vacant or Abandoned Commercial Storefront list for the duration of the permit. Proof of permit activity would be a copy of the signed Job Card. You may contact the Code Enforcement Section at (415) 558-6454 with any questions.

Does the building and property comply with all applicable codes, does not contribute to blight, is ready for occupancy and is being actively listed for sale?

If so, you should provide verification indicating this activity, including the real estate or MLS listing number. Without this verification, the department has no way of knowing the condition of the property without performing site inspections.

Have you recently sold property or had a transfer of interest for property which had been placed on the vacant or abandoned list, and you no longer wish to be identified as the owner of record?

If you have recently sold property or had a transfer of interest in property that had been placed on the vacant or abandoned list, simply notify our office that you are deregistering as the responsible party. Once informed, we will send a Vacant or Abandoned Commercial Storefront annual application package to the new owner of record, according to the Office of the Assessor-Recorder.

Code Enforcement Section
1660 Mission Street, 6th Floor, San Francisco, CA 94103
Office (415) 558-6454; Fax (415) 558-6226 – www.sfdbi.org
Commercial “White Box” Grant Program

The City of Racine White Box program is designed to encourage the redevelopment of older commercial buildings as vibrant, retail commercial spaces within traditional neighborhood districts and downtown. The City recognizes that many buildings may be non-compliant with modern building codes and that the cost of these improvements often fall to new entrepreneurs looking to establish small businesses.

The program will make available a new business development incentive to commercial building owners and developers. The incentive will offer reimbursable grant funds up to $10 per square foot with a maximum of $20,000. The grant may not exceed 50% of the total white box project costs. The grant may be paired with the City’s Commercial Building Façade Grant Program, but there may be restrictions on using these programs in combination.

Eligibility Requirements

1. All work being done must be for a currently vacant, commercially-zoned building on property located within the program boundaries (see program map).
2. The program is available to business owners and property owners for work performed on the interior of currently vacant first floor spaces with an active street presence along an arterial/trunk street.
3. Grant funds cannot be used to correct outstanding code violations, for property damage by collision, acts of nature or occurrences covered by insurance.
4. Only work begun after approval by the Downtown Area Design Review Committee (DADRC) and the Racine Redevelopment Authority (RDA) will be eligible for grant funds.
5. All work must comply with the City of Racine Building Department Code requirements and all relevant permits and inspections are required.
6. If a retail or commercial business is applying for the grant, only one white box grant will be awarded per business. If the property owner is applying for a grant, only one white box grant may be awarded within a calendar year.
7. If there is a competitive award process, funding for retail and restaurant commercial spaces is preferred over office uses.

Remember to consult with City Building Department to determine project eligibility and to understand if building permits and inspections will be required as part of your project.
Ineligible Properties:
1. Improvements for tax exempt properties
2. Work begun or materials purchased before grant approval
3. Properties in litigation, condemnation or receivership
4. Properties that have outstanding taxes, fees, penalties, or delinquencies with federal, state or local governments
5. Properties found to be in violation of alcohol or soda licenses or any Racine license
6. Properties not currently vacant or commercially-zoned or on arterial/trunk streets
7. Buildings less than 50 years old

Eligible expenses include:
1. Interior plumbing, electrical or HVAC improvements that results in compliance with current building code
2. Repairing or replacing drywall, plaster walls, floors or ceilings
3. Repairing or construction of required bathrooms
4. Repairs or construction required under the Americans with Disabilities Act

Ineligible costs include purchase or installation of:
1. Personal property
2. Security systems
3. Kitchen equipment
4. Windows, doors, or stairways
5. Signage, lighting, paint or wallpaper
6. Any improvement to correct outstanding code violations
7. Property damage due to collision, acts of nature or occurrences covered by insurance
8. Any work started before the approval of the grant or materials purchased prior to the grant
9. Any exterior improvements
10. Building permits, government approvals and taxes
11. Payment of fines, forfeitures or inspection fees

Grant will not reimburse for labor if self-contracted. Material cost and labor costs of employees are eligible, if the number of hours worked, rate of pay, and employee social security numbers are provided.
Application Review & Process

1. **PRE-APPLICATION MEETING:** We recommend that potential applicants contact the Chief Building Inspector (262/636-9161) to evaluate their eligibility for the program. Please note that applications must be received and reviewed by the Downtown Area Design Review Committee (DADRC) and approved by the RDA before any work begins. Grants will not be awarded to projects that are under construction or completed.

   Depending on the building, proposed use, size of building, building components, etc. it may be necessary for multiple City inspectors to inspect the building or space to provide a complete overview. The Chief Building Official and inspectors will assess the building and provide a Summary of Findings Report (SFR). The SFR will identify the major impediments that may be necessary to address before occupancy of the building or space.

   The White Box Inspection is not intended to identify every detail or every code requirement. The intent is to identify significant deficiencies within the first floor commercial space (based on the applicant’s proposed use) that will add a significant cost to their plan to occupy the space. It may still be necessary for the applicant to obtain the services of an architectural or engineering professional to prepare plans and specifications for their project.

2. **APPLICATION REVIEW:** Chief Building Inspector will determine if the application package that is submitted is sufficiently complete to review, and will submit to Downtown Area Design Review Committee (DADRC). The DADRC meets once a month. The application package must be submitted at least two weeks before a committee meeting to allow proper review and preparation for committee review.

3. **DESIGN REVIEW COMMITTEE:** The application package will be reviewed by the DADRC to determine whether the project should receive an award and determine the amount of the award. In making the determination, the committee will consider the following factors and may give priority to projects that meet the following criteria:

   - Is the first floor space vacant? Has the vacancy been a result of code compliance?
   - Does the project contribute to the establishment of a new retail business or restaurant within an established business district in the City?
   - Will the project positively contribute to the city’s redevelopment effort in the neighborhood?
   - Will the project ameliorate a blighting influence?
- Will the project substantially leverage more investments than the required matching amount of the grant?
- Will the grant result in an improvement that, otherwise, would not be made?
- Does the project comply with the City of Racine building code requirements?

4. **RDA APPROVAL:** The Redevelopment Authority of the City of Racine (RDA) will make the final determination for funding, based upon the recommendation of the DADRC. The RDA will approve the White Box Program Grant Incentive Agreement, which is a contract between the RDA and the Contractor that stipulates the terms of the grant incentive agreement.

**Required Materials for Applications**
Application packages must include enough documentation to illustrate the visual impact of the project and its costs. Failure to provide a complete application package will delay the review process. The items submitted should include:

- a. Completed, signed, and dated application form.
- b. Specific details of proposed improvements (intended use of funds).
- c. Current photos of existing conditions of property interior.
- d. Scaled floor plans.
- e. Building permit applications, if required.
- f. Samples of materials to be used.
- g. Written consent from property owner giving permission to conduct building improvements, if applicant is not property owner (attached to application).
- h. For improvements, two competitive proposals from licensed and bonded contractors are required. These proposals should give detailed information about the work to be done, the costs, the projected completion schedule. Any contractor that has submitted a competitive and detailed estimate may be used. Contractors cannot be changed unless new proposals have been submitted and approved.
- i. Property owners or business owners who is the contracting business and intent to perform work on their own properties must furnish at least one proposal other than their own.
- j. Property owners or business owners may also perform work on their own buildings; however, they will not be reimbursed for labor costs when acting as a contractor and/or installing materials. However, material costs may be reimbursable. If project is self-contracted and labor costs are requested for employees of the contractor, include hours worked, rate of pay, and employee social security numbers on a separate sheet of paper, sealed within an envelope (may also require pay stubs, timesheets, contracts, and other documentation).
k. Prior to the signing of the White Box Program Grant Incentive Agreement, the Contractor will have to provide proof of required insurance to the Chief Building Inspector. Insurance must be obtained and maintained during the project period:
   I. General Liability - One million dollars ($1,000,000) per occurrence ($2,000,000 general aggregate if applicable) for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the RDA) or the general aggregate including product-completed operations aggregate limit shall be twice the required occurrence limit.
   II. Workers Compensation - Contractor shall cover or insure under the applicable Wisconsin labor laws relating to worker’s compensation insurance, all of their employees in accordance with the law in the State of Wisconsin. The Contractor shall provide statutory coverage for work related injuries and employer's liability insurance with limits of $1,000,000 each accident, $1,000,000 disease policy limit, and $1,000,000 disease each employee.

Award Reimbursement
1. Reimbursement is up to $10 per sq. /ft. of first floor commercial space. The total reimbursement is limited to no more than 50% of qualified eligible expenses, not to exceed a maximum of $20,000.
2. The City of Racine reserves the right to refuse reimbursements in whole or in part for that which:
   • Does not conform to the program of guidelines.
   • Does not conform to the proposals submitted in the application and authorized by the DADRC or the RDA.
   • Are not commensurate with the workmanship and cost customary to the industry.
   • Are not completed within 120 days from the date of award. The City will not reserve funds and any approval not completed or significantly progressing may be cancelled. Request for extensions will be considered only if made in writing with at least 50% completion of the approved project demonstrated.
   • If the finished project does not conform to the application as it was submitted and approved.
   • If the project takes longer than one year to complete.
   • For work that is not commensurate with the workmanship and cost customary to the industry.
**Required Materials for Reimbursement**

Reimbursement can be expected in approximately three (3) to six (6) weeks after all of the following documentation has been submitted:

- Copies of all paid invoices, canceled checks, and/or bank statements for all of the work covered by grant. These must equal at least the required matching amount. The invoices must be marked paid, signed, and dated by the contractors.
- Lien waivers from all contractors/subcontractors. Lien waivers cannot be substituted for canceled checks or bank statements.
- Color photographs of completed project.
COMMERCIAL “WHITE BOX” GRANT APPLICATION

Applicant/Project Contact Information

Name:
Address:
Phone:

Business or Leaseholder Information

Name of business:
Business Owner’s/Leaseholder’s Name:
Address:
Phone:

Property Owner Information

Name:
Address:

Years Owned Building: Age of Building:
Area of First Floor (Square Feet):

Proposed Improvements (describe in detail)
Written Consent of Property Owner

Written consent of the property owner is required when the applicant and property owner are different entities or persons. Please submit with initial White Box grant application.

- I certify that I am aware of the attached application for the City of Racine White Box Program submitted for property that I own by a developer or leaseholder.
- I give my permission to the applicant, if a lessee or developer, to apply for the grant.
- I consent to the improvements proposed for my building and will accept responsibility for any permit or code violations that arise from the proposed improvements.
- I acknowledge that the City Building Division employees will inspect my property during the application period and will make reports as to compliance with building codes. By submitting this application, I consent to all inspections by the City Building Division employees for the purposes of this application consideration.
- I acknowledge that depending on the building, proposed use, size of building, building components, etc. it may be necessary for multiple City inspectors to inspect the building or space to provide a complete overview. The inspectors will assess the building and provide a Summary of Findings Report (SFR). The SFR will identify the major impediments necessary to address before occupancy of the building or space.
- I acknowledge the White Box Inspection is not intended to identify every detail or every code requirement. The intent is to identify significant deficiencies in the building or space (based on the applicant’s proposed use) that will add a significant cost to their plan to occupy the space.
- I acknowledge that it may still be necessary for the applicant or me to obtain the services of a professional to prepare plans and specifications for their project.
- I certify that the subject property does not have any outstanding fees, penalties, or delinquencies with federal, state or local units of government (County, City of Racine).
- I certify that the subject property is not in foreclosure, litigation, condemnation, or receivership.
- I certify that I am not in violation of any City alcohol or soda licensing requirements.
- I certify that this subject building is more than 50 years old.
- I certify that this property is not tax exempt and is up to date on property taxes.
- I acknowledge that the applicant will receive the grant reimbursement and that reimbursement will be made after improvements have been inspected and proper documentation has been provided to the City of Racine.

Name of Property Owner:

Address of Subject Property:

Signature of Property Owner: ________________________________

Date:
REQUEST FOR REIMBURSEMENT

Use this form for requesting reimbursements for approved White Box Grants.

Required Attachments to Request

☐ Copy of all relevant permits (building, electrical, plumbing, health, occupancy, etc.)
☐ Photos of completed work
☐ Contractor and supplier invoices
☐ Lien waivers from all contractors and suppliers
☐ If materials and supplies purchased separately, include itemized receipts or invoices from the applicable merchants or suppliers
☐ If labor supplied by an independent contractor, provide a copy of the signed contract that includes the terms of employment between the laborers and the grant recipient
☐ If labor supplied by grant recipient’s employee(s), provide:
  ☐ Weekly time records for each employee that indicate the name of the each employee, employee contact information, social security number, days and hours worked, rate of pay, nature of work performed
  ☐ Copy of all cancelled paychecks

Reimbursement Request Amount:

Explanation of Reimbursement Request:

Applicant Certification

I certify that the information submitted for this application for reimbursement is true.

Applicant Signature: ____________________________________________________________

Date:
City of Burlingame

Broadway

Façade Improvement Pilot Program

This guide is provided as a reference for Burlingame property owners and commercial businesses interested in applying for funding through the City of Burlingame Broadway Façade Improvement Pilot Program.

To apply, call the Community Development Department at 650.558.7250, or visit the City’s website at www.burlingame.org.

Check with the City’s Community Development Department before proceeding with the completion of the packet to confirm that you are eligible. If determined eligible, please complete the packet and email to Cleese Relihan at crelihan@burlingame.org, or mail to:

City of Burlingame
Community Development Department
Economic Development Division
501 Primrose Road
Burlingame, CA 94010

Your application will be reviewed for completeness and eligibility. Please contact Cleese Relihan at crelihan@burlingame.org or 650.558.7250 if you have any questions regarding this program or application process.
Program Guidelines

Overview

The City of Burlingame Broadway Façade Improvement Pilot Program is a pilot program for property owners and commercial tenants with businesses located in the Broadway Business District. Eligible property owners and commercial tenants can receive City funding assistance to undertake commercial façade improvements that will enhance the character of the shopping district. The program is funded by the City's General Fund. During the pilot program phase, only buildings fronting Broadway—whether vacant or occupied—are eligible for façade grants. Applications open on March 1, 2019 and close on May 1, 2019.

Program Goals

This program provides grants to rehabilitate eligible commercial buildings in order to encourage more shoppers and residents to visit the business district. This program provides a way for business owners to make their businesses more appealing to downtown visitors and shoppers.

Program Area

Although the City of Burlingame is dedicated to aiding businesses throughout Burlingame, the Broadway Business District is the initial program area during this pilot period. Leased properties fronting Broadway are eligible for the program.

Eligibility

- Eligible improvements include signs, awnings, and exterior painting.
- To be eligible for funding, the applicant must be a property owner or a business tenant who has secured the written consent of the property owner.
- Modifications to the building may subject the project to City planning or building requirements and to State, and/or Federal environmental and historical preservation requirements. Any permitting expenses and fees should be included in the budgeting section of the application.

NOTE: The program is for new façade improvement projects only. Projects in progress or already completed are not eligible.

Funding Available

The City has set aside up to $50,000 for this program; approved projects will receive a maximum of $10,000 in grant funding. Applications will be considered as they are submitted and evaluated based on the intended improvements and their relationship to the program goals. Property owners or business tenants who have not yet received funding for a façade improvement project will be given priority over those who have already received funding.
Program Process

APPLICATION PROCESS
1. Email crelihan@burlingame.org to obtain an application, or visit the City website www.burlingame.org to download a copy of the application. Make sure to schedule an appointment with City staff to review program procedures by calling 650.558.7250 or emailing crelihan@burlingame.org.
2. For the first meeting with City staff, please bring your completed application, site plan and schematics of your building, and any preliminary designs.
3. Following the meeting, the City may need to conduct an inspection to document the existing property conditions and record the scope of work.
4. The City will review the application and either approve or deny the grant proposal, or request additional information.

CONTRACT PHASE
1. To finalize the contract process, the City, the applicant, and the property owner shall review the design plans and funding amount one last time to ensure everyone is in agreement. Any work not approved by the City will not be covered by the grant. The tenant or property owner will only be reimbursed up to the agreed amount regardless of changes to the project.
2. The City and the applicant should make sure copies of all contracts match and are available for future review if needed.

REIMBURSEMENT PHASE
1. Once the repair and improvements are completed and signed off by City staff, the applicant has 45 days to submit the reimbursement documents to the City, including all paid invoices.
2. Prior to final reimbursement, the City will conduct an on-site inspection to confirm all improvements are complete.
**Application Instructions and Application Evaluation**

Applicants should fill out the Application and Landlord Consent form, as applicable. If the tenant’s lease agreement authorizes a tenant to make modifications to the exterior of the building without landlord confirmation needed, tenants may check the “in lieu of” box on the bottom of the Landlord Consent Form instead of including the landlord’s signature. In addition, all applicants should include site plan that shows property lines, front and side elevation that shows building frames, structural calculations, and images of the proposed façade improvement. Preference will be given to property owners and business tenants who have not yet received this grant before. Applications will be scored on six different criteria: goals and objectives, work plan, budget, community and economic benefit, application completeness, and demonstration of support or disagreement. Each of these categories is described in more detail below and on the following page.

**A. Goals and Objectives**

Please write a paragraph defining your goals and objectives. Your goals should include what improvements you want to make, how you believe your property will improve, and why you believe you are a good candidate for the grant. If you are a landlord with a vacant property, describe how the improvements can assist in attracting a tenant. If there is an existing tenant, describe how the improvement will benefit the business. Your objectives should include the actions you will take if you were to receive a grant. Actions can include, but are not limited to, repair of awnings, repainting of the exterior, replacing window lighting with LED lighting products, and installation of new business signs.

**B. Work Plan**

Summarize in a paragraph how you plan to implement the building improvements, which contractor you plan to work with, and if they have worked on similar building improvement projects. Provide a detailed timeline for the project from setup to finish, and include images and blueprints of the proposed façade design.

**C. Budget**

Please include a spreadsheet or table that itemizes the costs of materials, supplies, and equipment that will be used to repair or modify the façade of your building. Please note that the grant will cover up to a maximum of $10,000.

**D. Community and Economic Benefit**

Please write a paragraph or two that defines how your proposed project will contribute toward the community. Does your proposed project preserve or enhance the neighborhood identity or image; increase the chances of attracting a new tenant if your space is vacant or retain the business if occupied; or increase foot traffic to your business? You may list other benefits you see resulting from your project.

**E. Application Completeness**

Please make sure to complete each segment of the application, and ensure that all information requested is included. Incomplete applications will not be considered, and applicants may receive a list of requested items. If you need clarification on what is needed to complete the application, you can contact the Economic Development Specialist at 650.558.7264.

**F. Demonstration of Support**

In addition to providing information on your proposal, you can attach copies of letters of support for your proposed façade improvement project. Letters of support can come from property owners, neighbor tenants, and customers of the established business.
<table>
<thead>
<tr>
<th><strong>Goals &amp; Objectives</strong></th>
<th>Exemplary (3 points)</th>
<th>Adequate (2 points)</th>
<th>Poor (1 point)</th>
<th>Inadequate (0 points)</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>States clearly why they are seeking grant &amp; how grant can improve their conditions and surrounding area.</td>
<td>States in general terms why they are seeking grant but could use clarification.</td>
<td>Goals and objectives are vague and need lots of clarification.</td>
<td>No details provided.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Work Plan** | Provides clear explanation about how they will implement building improvements. Explains how they can complete the grant program within specified term. | Provides a brief description of how they will implement building improvements but needs clarifications. A time frame is stated but no additional details are provided. | Provides vague explanation of how they plan to implement building improvements and not clear how they will complete the work. | No details provided. |

| **Budget** | Provides an itemized cost breakdown, includes contacts of building contractors, and provides estimates and other documentation that support the costs stated. | Provides an itemized cost breakdown and summary of estimates with other documentations. Includes contacts of building contractors. | Provides a general summary of costs, contractor contact information is included, few documentations that support costs stated. | No cost analysis or itemized breakdown of costs provided, no contractor contact information or company information. No additional documentations to support costs stated. |

| **Community and Economic Benefit** | Will significantly improve the aesthetics, feel, and value of both the subject building itself as well as neighboring buildings and surrounding area. | Will provide modest improvements to the aesthetics, feel, and value of both the subject building itself as well as nearby buildings and the surrounding area. | Will provide improvements to the aesthetics of the subject building, but negligible impact to nearby buildings and the surrounding area. | No details on how improvements will impact nearby buildings and surrounding area, or potential to have a negative impact on the surrounding area. |

| **Application Completeness** | Application is thoroughly completed, provides full details of proposed project, and all needed documents are included. | Application is completed correctly but is missing a small number of needed documents. | Application is completed but has errors and/or is missing critical documents. | Application is not completed and/or has not provided documents. |

| **Demonstration of Support or Disagreement** | Positive comments from neighbor tenants, property owners, and/or customers. | Mostly positive comments from tenants, property owners, and/or customers. | No comments of support or disagreements. | No support, and negative feedback only. Is there opposition? |

| **Total** | | | | | | |
City of Burlingame

Business District Façade Improvement Program

Application

Prior to meeting with City staff, complete this application to the best of your knowledge.

Applicant Information

Business Name: __________________________________________________________

Business Address: ________________________________________________________

Applicant Name: ________________________________________________________

Applicant Mailing Address: __________________________ __________________________

Applicant Telephone: ____________________________________________________

Applicant Email: ________________________________________________________

Are you the owner or tenant of the building?   __ Owner    __ Tenant

Describe what improvement(s) you would like to pursue? You may attach additional information to this application.

____________________________________________________________________
____________________________________________________________________

Note: If you are a tenant, you must obtain written consent from your landlord prior to starting any improvement projects. You are responsible for complying with any applicable terms of your lease. Please have your landlord complete the Landlord Consent Form and submit this with your application. Please review the criteria on page 1 to make sure you are eligible to apply.

Application Confirmation

I certify that all statements on this application are true and correct to the best of my knowledge. I understand that any intentional misstatements will be grounds for disqualification. I authorize City staff to access the property to be improved for the purpose of inspecting or obtaining information for the Business District Façade Improvement Program. I understand that this is a grant agreement with the City and that I will meet my obligations according to the plan agreed upon between the City and me. I further agree to comply with all City ordinances and the design requirements and recommendations of the Planning Division.

_____________________________________  ________________________________
Tenant Signature                          Date
City of Burlingame  
Business District Façade Improvement Program  

**Landlord Consent Form**

**Consent**

I, the undersigned owner of the existing building located at ________________ (address) certifies that ___________________________ (business name) operates or intends to operate a business at this location. The undersigned agrees to permit the applicant and his/her contractors to implement improvements listed on the City of Burlingame Business District Façade Improvement Program. Application dated: _____________. The undersigned agrees to hold the City of Burlingame harmless for any charges, damages, claims, or liens arising out of the applicant’s participation in the Business District Façade Improvement Program.

**Property Owner**

__________________________   ____________________________  
Name  
__________________________  
(Mailing Address)  
Title  
__________________________  
Phone Number  Email  

As the legal owner of the above property, I hereby grant authorization to complete the improvements indicated on the submitted application.

__________________________  
Signature  
__________________________  
Date  

☐ In lieu of landlord signature, see attached lease agreement that authorizes tenant to make modification to façade or building exterior.
Program Process

APPLICATION PROCESS
1. Email crelihan@burlingame.org to obtain an application, or visit the City website www.burlingame.org to download a copy of the application. Make sure to schedule an appointment with City staff to review program procedures by calling 650.558.7250 or emailing crelihan@burlingame.org.
2. For the first meeting with City staff, please bring your completed application, site plan and schematics of your building, and any preliminary designs.
3. Following the meeting, the City may need to conduct an inspection to document the existing property conditions and record the scope of work.
4. The City will review the application and either approve or deny the grant proposal, or request additional information.

DESIGN & CONTRACTOR SELECTION PHASE
1. If the City has approved the grant request, you may proceed to selecting a potential architect or designer and contractors. Please note that this is a conditional grant. Even if grant is awarded, funds will not be released until design review and all applicable permits obtained.
2. The next step is to obtain bids and estimates from your desired contractor. If the project costs exceed the expected grant amount, the business and/or property owner will be responsible for covering the additional costs. Note: all contractors must have a valid Burlingame business license and obtained permits/applicable permits to proceed.
3. Once a contractor has been selected, the City staff, the applicant, the property owner, and the contractor shall finalize the design and funding amount.

CONTRACT PHASE
1. To finalize the contract process, the City, the applicant, and the property owner shall review the design plans and funding amount one last time to ensure everyone is in agreement. Any work not approved by the City will not be covered by the grant. The tenant or property owner will only be reimbursed up to the agreed amount regardless of changes to the project.
2. The City and the applicant should make sure copies of all contracts match and are available for future review if needed.

FAÇADE IMPROVEMENT PHASE
1. As an applicant, make sure you obtain all necessary building, sign, or encroachment permits along with obtaining all necessary Planning Division approvals, which may require Planning Commission review.
2. The contractors should then provide the Community Development staff with a construction schedule.
3. Once all contracts are secured and all permits and approvals are obtained, the City will issue a Notice to Proceed. Applicants must commence work within 30 days of approval and complete within the staff approved timeline.
4. Once construction begins, City building inspections will make sure the work matches the agreed terms and building permit specifications.
5. The City understands that sometimes changes are needed in the process and encourage the applicant and contractors to meet with City staff to make appropriate adjustments swiftly. Any potential changes should be requested to City staff at the earliest opportunity.

REIMBURSEMENT PHASE
1. Once the repair and improvements are completed and signed off by City staff, the applicant has 45 days to submit the reimbursement documents to the City, including all paid invoices.
2. Prior to final reimbursement, the City will conduct an on-site inspection to confirm all improvements are complete.
By guest author Cathy Reisenwitz.

This month the San Francisco Board of Supervisors voted unanimously to force SF commercial building owners to register their vacant storefronts with the city’s Department of Building Inspection and pay a $711 annual registration fee.

This tax is unlikely to solve the problem it’s intended to solve. It also further complicates the tax code, which creates opportunities for manipulation by incumbents for rent-seeking. And it’s a boon to property inspection companies, who owners now have to pay yearly to inspect their properties for city code compliance. And it tasks the already backlogged...
Department of Building Inspection with determining whether the storefronts are vacant due to speculation or legitimate reasons like mandatory seismic retrofitting.

If we actually want to reduce commercial vacancies, we should look at more cooperative, effective solutions.

Legislation author Supervisor Sandra Lee Fewer wants to punish property owners who let their properties sit vacant while they wait for rents to go up and encourage them to rent them out instead.

“When you have commercial property owners holding multiple storefronts vacant for long periods of time, that hurts all the other small businesses in the area who rely on a vibrant commercial corridor to attract customers,” Fewer said. But vacancy taxes haven’t worked in other cities. Paris failed to decrease their residential vacancy rate with taxation. Washington, D.C.’s vacancy tax took nearly $10 million from poorly connected landowners in 2016 but didn’t do much to reduce rents or lower the vacancy rate.

Burdening commercial building owners with more taxes and inspection requirements creates loophole opportunities for rent-seeking incumbents. As with most taxes, savvier owners don’t pay.

Many owners file for exemptions or ask for building permits for improvements they will never make. Chris Sandvig, director of policy at the Pittsburgh Community Reinvestment Group told Pew that many owners who are unsure their property values will increase would simply not pay their tax, burdening the city with enforcement.
Vacancy taxes don’t work not least because if making zero income from a valuable asset is the most profitable move for property owners then $711 isn’t going to change that calculus much.

Instead of increasing taxes and inspection requirement, governments should be eliminating the barriers they’ve erected to renting out properties.

That’s what Christian Britschgi suggests in Reason. In a growing city, property owners rent their buildings before developers build competing units. Only in a city where property owners can count on no new buildings does it make sense to leave them empty. “A more direct response to that would be to simply allow for more development, not to impose another blunt tax on property owners,” Britschgi writes.

Get government out of the way of building new commercial properties, and owners will rush to get their buildings rented out.

Another idea: reform the zoning code. The Golden Gate Restaurant Association backed the tax because they want to see more buildings available to restaurants. “Much of the economic development in the last 10 years has been related to restaurants and other related food businesses,” Gwyneth Borden, executive director of the Golden Gate Restaurant Association wrote. “By having accurate data and hopefully opening up more vacant storefronts, restaurants can continue to be anchors in our neighborhoods.”

But the tax can’t get restaurants into buildings that aren’t zoned for them. A 2018 survey of vacant commercial properties found that nearly 80 percent of SF’s vacant shops are zoned for non-restaurant use. Re-
zoning vacant properties for a wider array of uses would make them more profitable to rent while diversifying the types of businesses available to neighborhood residents.

Speaking of neighbors, Corey Smith, deputy director of the Housing Action Coalition offered another, more voluntary solution to retail vacancies: more housing. If we “add housing at all levels of affordability along our commercial corridors,” Smith said (http://www.sfexaminer.com/sf-strengthens-vacant-storefront-registration-requirements/), those businesses will have a bigger pool of customers to draw in.

Commercial vacancy is a problem for SF neighborhoods. But the solution isn’t more government. It’s less. Building more units, more housing, and re-zoning buildings for a wider variety of uses are more likely to be effective than this tax and come with far fewer unintended consequences and opportunity for rent-seeking.

Comments

TRENDING
Automation in the Short and Long-Term

Gene Replacement Can be the Cure that Patients—and Taxpayers—Have Been Looking For
<http://catalyst.independent.org/2019/02/15/gene-replacement-can-be-the-cure-that-patients-and-taxpayers-have-been-looking-for/>

Why Do So Many Millennials Embrace Socialism?

The February Jobs Report and What It Could Mean for the Economy

Swedish Model is Far Better Than American Trillion Dollar Fix
<http://catalyst.independent.org/2019/03/18/swedish-model-is-far-better-than-american-trillion-dollar-fix/>
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Fed Up With Vacant Storefronts, Residents Force Cities To Punish Retail Landlords

August 12, 2018  |  By Cameron Sperance and Joseph Pimentel

Want to get a jump-start on upcoming deals? Meet the major players at one of our upcoming national events!

Coast to coast, bustling retail meccas used to embody a decidedly American pastime: shop till you drop. But empty storefronts across the U.S. have cropped up in places that go far beyond the “retail apocalypse” that has battered suburban malls — and some municipalities are fed up.

From retail corridors nestled in some of New York’s trendiest neighborhoods to wealthy bedroom communities just outside of Boston, vacancy signage is becoming more common than glitzy placards announcing a big sale.

Local governments, wary of landlords who choose to keep their properties empty — sometimes for months and years in the hopes of landing a deep-pocketed tenant — are now responding by exacting financial penalties against these proprietors.

“There was uproar from residents over what these [landlords] were doing and how they were getting away with murder,” said Ali Carter, the economic development coordinator for Arlington, Massachusetts. “Residents just see a vacant storefront and wish it was a coffee shop or bookstore. They’re peeved.”

Arlington began its measure in early 2017. It requires landlords to register with the city and charges them $400 annually for each vacant storefront. When the fees were first levied, there were 17 empty storefronts in Arlington Center. Only six remained by the end of the year.

Larger cities, like New York and Boston, are mulling similar measures. Retail vacancies in Manhattan’s West Village neighborhood were up to 11.3% in June — and some parts of SoHo have even hit 20%. In Boston, vacancy rates on the city’s high street of shopping, Newbury Street, were around 10% at the end of 2017. A retail vacancy rate of 5% is generally accepted as the industry standard for a healthy market, according to brokers.

But landlords and developers suggest vacancy fees are not the best solution.

“It’s forcing capitulation, and it’s the government injecting itself into the marketplace to get a result they don’t understand,” Fisher Bros. partner Winston Fisher said.
Fisher, whose family-run company is one of the largest developers in New York, and others suggest more market-driven solutions, such as pop-up retailers or different leasing agreements, to fill those empty spaces may be better for the long-term support of retail in a community. But even as landlords explore such alternatives, several cities are moving forward with vacancy fees.

**Taxation Until Reactivation**

Other cities are hoping to replicate Arlington’s visible success. Carter has been called to testify on the city’s measure in municipalities across the country. She said, however, each region has to tailor its vacancy regulation to fit market conditions.

“Whatever sort of solution they come up with has to be tailored to their community,” she said. “For the 700 or so businesses in our town just outside of Boston, this is not Greenwich Village. It’s a totally different scenario.”

New York City Mayor Bill de Blasio has proposed a fee or tax to penalize landlords with vacant retail space. Other city leaders are advocating a vacancy tax on commercial strips.

In San Francisco, neighborhood commercial districts such as the Castro and the Mission District are seeing an increase in vacancy rates, according to a February report by the San Francisco Office of Economic and Workforce Development. Sales tax revenue slowed between 2015 and 2016 and the demand for ground-floor retail space has declined.

In response, Supervisors Aaron Peskin and Jane Kim are leading the fight for a vacancy tax.

Kim told hyperlocal news site Hoodline the Mayor’s Office of Economic Development and small business commission should do more to fill vacant spaces. She would consider a vacancy tax “to encourage landlords to rent out these spaces.”

Peskin and his staff told Bisnow he is working on a draft to include a vacancy tax on a future ballot.

Boston City Councilor Matt O’Malley is pursuing vacancy penalties in his city, inspired by Arlington.
Cities see storefront vacancies as a missed opportunity to generate sales tax, which pays for city services, said Lee & Associates Pasadena Founding Principal Dan Bacani, who once served as an economic development consultant for the city of Arcadia, California.

Arcadia, about a 17-mile drive northeast of downtown Los Angeles, is not proposing a vacancy tax but, like many cities across the nation, is grappling with how to deal with empty storefronts.

“Some cities have poor opinions of landlords because the space is vacant,” Bacani said. “But implementing a tax will only have a negative effect and further hurt relationships.”

A Changing Retail Game Needs A New Set Of Rules

While critics chide landlords for holding out for high-paying tenants, building owners are typically tied to deals made with investors when retail was performing better than it is today.

“The larger idea to get the spaces populated with vibrant uses is a good idea,” CBRE Global President of Retail Anthony Buono said. “I’m not sure taxing is such a great way to incentivize them because they may not be able to perform.”

The U.S. retail sector suffered 3.8M SF of negative absorption in Q2, its worst quarter in nine years, according to Reis Inc. But the solution is not as simple as just backfilling space with eager tenants at a reduced rent.

“What we see in New York is the rents pretty much peaked in 2015 and 2016,” Buono said. “There were many people who acquired those properties at those peak rents. What has happened is tenants have left or wanted to get out of their spaces or haven’t renewed. It’s now 2018, and the market is decidedly different in terms of valuations.”

In San Francisco, the 3.2% retail vacancy rate at the close of 2017 was a slight improvement from Q3 but an increase from the 2.4% seen at the end of 2016, according to Cushman & Wakefield data. Though the vacancy rate seems low, most commercial real estate tracking firms only concentrate on the city’s big shopping districts like Union Square and downtown San Francisco, not other neighborhood commercial districts such as Mission Street, Ocean Avenue and Calle 24. Those neighborhoods are seeing a 10% to 14% vacancy rate, according to the the San Francisco Office of Economic and Workforce Development report.

City officials need to understand that retail is going through part of a normal cycle, Cushman & Wakefield Vice Chairman Kazuko Morgan said.

“Everyone is always focusing on the negative, negative, negative,” said Morgan, who is based in LA and brokers deals in several of the most popular shopping districts from Rodeo Drive and Melrose Avenue in Los Angeles to Union Square in
San Francisco. “A lot of the closures are the tenants who have been there 20, 30 or 40 years that have cycled out. So it’s a natural end of an era for a brand.”

Landlords Look Elsewhere For A Fix

With so much brick-and-mortar contraction, landlords are looking to alternatives to generate foot traffic. Some say better zoning could be a real shot in the arm to land more long-term tenants in cities’ biggest shopping corridors.

“All landlords have different opinions as to why there are vacancies,” Boston-based C. Talanian Realty Co. Director of Business Development Chris Talanian said. “What we can agree on is the city needs to take a hard look at the zoning process. If you make it easier for businesses to open up in the Back Bay, there will be more businesses opening up in the Back Bay.”

The Talanian family owns and manages one of the largest real estate portfolios along the Boston retail mecca of Newbury Street. While still a popular destination, Newbury Street has lost some longtime tenants, and landlords have looked to maintain foot traffic by introducing more pop-up stores as well as activities like Open Newbury, sporadic weekends in the summer that close the road to car traffic and turn the corridor into a giant block party.

While he says retail generally trends upward, Talanian said City Hall could help Newbury by streamlining some of the zoning processes required to open a venue in the city’s Back Bay neighborhood. Special permits are required to open a store, even if there is already another retail outlet in a building. This can drive businesses away, and Talanian said overcoming the challenge won’t be easy.

“I’ve been talking about this until I’m blue in the face,” he said. “Nobody wants to take it on because it means taking on the neighborhood.”

Many landlords pursue quick fixes to vacant storefronts in the form of pop-up stores. Online retailers like Warby Parker have begun to expand into brick-and-mortar stores with long-term leases. Smaller brands looking to follow suit are doing so with less of a commitment in the form of pop-up stores with leases lasting months instead of years.

“When these digitally native brands become successful or get that mojo going, they really need to be in brick-and-mortar to have a viable brand,” Buono said. “Then, they end up in real estate, and real estate is expensive compared to Instagram and social media. There’s sticker shock with leases, capital improvements and everything else. For that reason, that’s why a lot of these brands turn to pop-ups that turn into longer-term stores.”
Beyond online retailers launching pop-ups, traditional retailers also are changing focus. On Melrose Place, Nordstrom, which is known to occupy an average of 140K SF of retail space at malls, introduced Nordstrom Local, a 3K SF concept store. The store provides a more personalized and intimate shopping experience and a much smaller footprint.

Nike introduced its new Nike Live concept store down the block on Melrose Avenue. The store brings together digital elements for a personalized physical shopping experience for its consumers.

“People have so many choices now, you have to have a reason to get people inside the stores,” said Morgan, who was one of the brokers that represented the landlord in the Nike deal. “There are certain things you can’t buy online. You can’t buy an experience. You can’t go to Disneyland online.”

Other landlords find solutions in repositioning properties. Along Santa Monica’s Third Street Promenade, where more than 11 million visitors come each year, many of the retail storefronts that once lined the popular outdoor pedestrian mall have become creative offices or mixed-use properties.

Such repositioning can require new conversations about what is wanted out of a property.

Lee & Associates’ Bacani said cities need to partner with tenants. Recently, he was involved in a deal in which a local church was planning to occupy a vacant retail space in downtown Monrovia, California. City officials were hesitant at first because churches don’t generate sales tax.

Bacani said he suggested the church open a coffee shop and an independent bookstore. Those could generate sales tax while the church services could be held in the back of the property.

Though the deal never materialized, Bacani said “the point is, we have to come up with creative concepts to fill these vacant storefronts that benefit the tenant and the city.”

While landlords grapple with the best path forward for solving the problem of empty storefronts, Talanian sees the current scenario as more a shifting period than the retail apocalypse touted in headlines. He has had positive feedback from tenants who ran pop-ups from his company’s buildings on Newbury Street and were interested in inking longer-term leases.

He has noticed more stores opening along the corridor in recent months that make him optimistic about the retail hub’s future and sees them as proof a vacancy fee isn’t needed to bring more tenants in.

“It’s always been cyclical upward, and it will continue. We’re just in a shift period,” he said. “It’s the natural cycle of retail, and a number of things can be at play. Is it tough zoning? Price point? It’s a lot of factors, and there’s not one silver bullet.”
CORRECTION, AUG. 13, 1:52 P.M. PT: A previous version of this story misspelled the name of Cushman & Wakefield Vice Chairman Kazuko Morgan. The story has been updated.

See Also: The Internet Has Passed Brick-And-Mortar Retail Sales For The First Time Ever

Related Topics: CBRE, Newbury Street, Rodeo Drive, Melrose Avenue, SoHo NYC, retail apocalypse
## Vacant Property Maintenance Checklist
to protect and enhance your commercial property

### Exterior
- ☐ Check your windows and doors for potential repairs needed.
- ☐ Replace screens that are torn or damaged.
- ☐ Maintain wall lamps, awnings, and marquees.
- ☐ Keep perimeter clear of trash, debris, and weeds.
- ☐ Maintain facade in good repair, paint if needed, and cover with protective coating.
- ☐ If fencing is established, make sure it is attractive and in good condition.
- ☐ Maintain gutters and downspouts, keeping them clear of debris or rusted material.
- ☐ Restore or remove any signage that has weathered or faded.
- ☐ Repair wall and repaint if needed if signs are removed.
- ☐ Keep parking spaces and lots clean and open to allow potential tenants to park and visit your site.
- ☐ Keep movable or temporary structures such as canopies, statues, etc., away from the public right-of-way unless you have obtained an encroachment permit from the Public Works Department.
- ☐ Inspect your roof for any damage and remove any plant life growing on the roof.
- ☐ Clean any bird, dog, or rodent waste on or near the exterior.
- ☐ Avoid posting flyers on windows or facades.
- ☐ Keep the sidewalk in front of your building clean and clear of debris or trash to make it safe for pedestrians.
- ☐ Maintain walkways used to access the building in good and safe condition.

### Landscaping
- ☐ Maintain landscaping, keeping plants and flowers fresh and clean of trash and debris.
- ☐ Have landscape visible for public view to attract potential tenants to your site.
- ☐ Avoid overgrown bushes and plants that might encroach into the public right-of-way.
- ☐ Maintain irrigation system if there is one.

### Interior
- ☐ Avoid covering windows completely with blank paper; keep upper half open to let sunlight into the space and allow prospective tenants to see views to the outside of the space.
- ☐ Consider painting or screening the window with decorations or graphics to attract potential tenants and improve “curb appeal”.
- ☐ Avoid storage of commercial, industrial, hazardous, or personal belongings to provide open space for potential tenants to see space.
- ☐ Avoid accumulation of broken material, garbage, refuse, and debris that might attract insects, roaches, and other vermin.
- ☐ Keep floor, walls, and ceilings clean and well maintained for safety and to attract tenants.
- ☐ Leave lights on at night to attract potential tenants and deter criminal activity near your building.
- ☐ Maintain the HVAC system.
- ☐ Check that kitchen(s) and/or bathroom(s) are working and well maintained.
- ☐ Check fire alarm and sprinkler system.
- ☐ Secure any loose guards or panels.
- ☐ Check for visible leaks to prevent damage or rotting to your building.
- ☐ Notify the USPS or private delivery companies to discontinue delivery if the vacant space continues to receive mail for a previous tenant, thereby avoiding piling up of paper and materials.

### Renovations
- ☐ Minimize public visibility of materials and equipment stored at your space related to construction improvements if possible.
- ☐ Consider posting a “business coming soon” window decal or business name to let the public know the space will soon be occupied.
Economic Development Subcommittee 2019 Calendar Proposed Agenda Items

- May 8: invite Burlingame Plaza merchants and property owners
- June 12: invite Burlingame Avenue DBID board members
- July 10: invite Hotel GMs.
- August 14: invite Broadway BID board members
- September 11: Invite Auto Dealerships Owners
- October 9: TBD
- November 13: TBD
- December 11: TBD