



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL
From the CITY MANAGER

DATE: July 13, 2021

SUBJECT: Property Revitalization Micro Grant Programs Update and City Council Consideration to Continue the West La Mesa Community Enhancement Pilot Grant Program

ISSUING DEPARTMENT: City Manager's Office

SUMMARY:

Issue:

Should the City Council continue the West La Mesa Community Enhancement Pilot Grant Program?

Recommendation:

Staff recommends City Council receive the property revitalization grant programs update and provide direction to staff on whether to continue the West La Mesa Community Enhancement Grant Program.

Fiscal Impact:

La Mesa Property Revitalization Grant Program

The La Mesa Property Revitalization Grant Program is funded in the amount of thirty thousand dollars (\$30,000) from General Fund Reserves to fund the three-year pilot program. The program utilizes \$10,000 per year over the three-year period beginning in Fiscal Year 2020-2021 and continuing through the Fiscal Year 2021-2023 Biennial Budget.

West La Mesa Community Enhancement Grant Program

The West La Mesa Community Enhancement Grant Program was funded in the amount of six thousand dollars (\$6,000) budgeted in the Fiscal Year 2020-2021 City Council budget. City Council directed staff to utilize four thousand (\$4,000) dollars from its Council travel, conference, and meetings account and two thousand (\$2,000) dollars from the City Council expenditure account to fund the program. The program is a one-year pilot that began in Fiscal Year 2020-2021 and would require new funding if the program is to continue.

Strategic Goals:

- Revitalize neighborhoods and corridors

BACKGROUND:

The City Council directed staff to draft guidelines for two grant programs that provided incentives for property owners, business owners, and community groups to perform property improvement and community enhancement projects to commercial properties in La Mesa. Both grant programs are in response to City Council and community interest to revitalize commercial properties in La Mesa. The first grant program, the La Mesa Property Revitalization Grant Program, targets commercial properties adjacent to former illegal cannabis businesses that experienced negative secondary impacts. The second grant program, the West La Mesa Community Enhancement Grant Program, targets commercial properties along the University Avenue and El Cajon Boulevard commercial corridors. An overall goal of both grant programs is to provide funding that can be combined with private investment to achieve meaningful commercial revitalization in La Mesa. At the September 22, 2020, meeting, the City Council approved the draft program guidelines for both grant programs and directed staff to activate both programs within thirty days.

DISCUSSION:

La Mesa Property Revitalization Grant Program

The La Mesa Revitalization Grant Program provides funding for exterior improvements to commercial properties adjacent to former illegal cannabis businesses. The maximum grant award is \$2,000 per applicant per funding cycle. As directed by City Council, this grant is a proposed three-year pilot program aimed at providing eligible applicants funding to revitalize commercial and legal non-conforming properties citywide that have experienced negative impacts as a result of being in close proximity to former illegal cannabis dispensaries. Projects that include property cleanup, façade improvement, graffiti removal, painting, pressure washing, demolition of dilapidated structures, and improved or updated signage are eligible for program funding. As outlined in the Program Guidelines, projects must be exterior in scope and provide a noticeable improvement that is easily visible from public view. Examples of activities that do not qualify for funding are general or deferred maintenance, upgrades or repairs to mechanical, plumbing, or electrical, interior building renovation, and the payment of City fees or code enforcement violations.

To market both grant programs at launch, staff posted messaging on social media and created a webpage on the City's website with a spotlight news link on the main page for easy access. Staff also mailed out information about both grant programs to property owners and business owners along the El Cajon Boulevard and University Avenue commercial corridors. After the marketing was completed, the City began accepting applications on a first come, first serve basis. With \$10,000 in grant funding available per year and a maximum grant award of \$2,000 per approved application, the program has the ability to fund five projects per year over the three-year pilot timeframe. Within three weeks after launch, the City received ten applications. Staff approved four of the first five applications received for funding. One applicant could not obtain the landlord's approval to move forward with improvements; therefore the next

application received was reviewed and approved for funding. Staff placed the remaining four applications on a priority list for the second year of the program. Staff approved the following five projects for funding:

<u>Business Name</u>	<u>Address</u>	<u>Improvements</u>
Davey Auto Body	7253 University Ave.	Power wash and paint
Metro by T-Mobile	6988 University Ave.	Paint and landscaping
Residence	7282 University Ave.	Landscaping
San Diego Cars	7257 University Ave.	Exterior painting
Wong's Golden Palace	7126 University Ave.	Bldg. & sign painting

At the time of this report, three applicants completed projects and were awarded funding and one is expected to be completed by the end of July. One applicant is non-responsive and the grant funding approved for the project will not be awarded.

Year two of the grant program begins in July. Applicants on the priority list are currently being contacted and asked to reapply. Any grant opportunities not filled by the priority list will be advertised to eligible applicants. The program will require direct marketing to property and business owners that fall within a 300 foot radius of former illegal dispensary sites to attract applicants and fill any remaining opportunities for funding.

West La Mesa Community Enhancement Grant Program

The West La Mesa Community Enhancement Grant Program is a one-year pilot micro-grant program targeting commercial and legal non-conforming residential properties in the West La Mesa area. The program is being established in response to community and City Council interest in enhancement efforts that produce a positive, visible impact to properties along the University Avenue and El Cajon Boulevard commercial corridors. The program encourages partnerships between community organizations and property owners to provide funding for small and medium-scale community enhancement projects on commercial and legal non-conforming properties fronting and along the University Avenue and El Cajon Boulevard commercial corridors. Projects that include property cleanup, pressure washing, landscape planting, painting, improved signage, and murals or public art are eligible for program funding. Projects must make a visible, exterior improvement to a commercial property to qualify for funding.

With \$6,000 in available funding for the pilot year and a maximum grant award of \$1,000 per approved application, the program can fund a total of six projects. The City received nine applications within three weeks after the program was advertised and launched. Staff reviewed and approved the first six applications submitted. Shortly thereafter, one applicant forfeited their grant award after determining their improvements were too costly and that the grant did not match enough of the cost. Staff reviewed and approved the next application received; however, months into the project the applicant became non-responsive. The remaining two applications received were given the option to be placed on a priority list to be contacted if the grant program was continued after the pilot year. The following five projects were approved for funding:

<u>Business Name</u>	<u>Address</u>	<u>Improvements</u>
Residence	7535 University Ave.	Exterior stucco & paint
5 Star Market & Liquor	7495 University Ave.	Façade & Pothole repair
CB Hair & Nails	7055 University Ave.	Tree & brush removal
Pretty Little Hair Salon	7103 University Ave.	Façade painting
Marin's Apparel	7309 University Ave.	Lighting & signage


At the time of this report, three applicants completed projects and were awarded funding and one is expected to be completed by the end of July.

If the West La Mesa Community Enhancement Grant Program is continued beyond the pilot year, staff recommends the maximum grant award be increased to \$2,500 per project and the available grant funding per year be increased to \$15,000. The applicant pool for the West La Mesa grant is significantly larger than the La Mesa Revitalization Grant Program and an increased award amount will help attract applicants, encourage meaningful private investment, and revitalize the El Cajon Boulevard and University Avenue commercial corridors. If the grant program is continued, a budget amendment will be processed to add the necessary funding to the Fiscal Year 2021-2023 Biennial Budget from General Fund Reserves.

CONCLUSION:

Staff recommends the City Council receive the Property Revitalization Micro Grant Programs Update and consider continuing the West La Mesa Community Enhancement Pilot Grant Program beyond the pilot year.

Reviewed by:

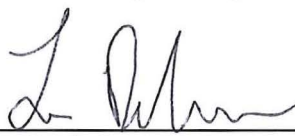


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