# Program OVERVIEW

The Lomita Façade Improvement Loan Program 2022 aims to revitalize the Lomita’s commercial areas and assist those businesses that have experienced negative impacts as a result of the COVID-19 pandemic. Using American Rescue Plan Act (ARPA) funds, the City of Lomita will make forgivable loans of up to $25,000 to improve nonprofits, restaurants, breweries, bars, and retail businesses’ façades and/or outdoor spaces. The program would require an agreement between the owner and tenant that the rent cannot be raised in excess of the CPI year-over-year average for a two-year period. Issuance of a certificate of occupancy or upon completion of all building inspections will begin the two-year Participation Period. While it is a loan program, if the applicant has maintained compliance with the Program Guidelines during the two-year loan term, the loan will be 100% forgiven.

Funding preference will be performed via a lottery system at the completion of the six-week submittal period.

Applications will be accepted beginning March 7th, 2022 but no later than 12:00 p.m. on April 21st, 2022. Please return a completed application and associated documents to Lomita City Hall, 24300 Narbonne Avenue, Lomita, CA. If there are any questions, please call Associate Planner Laura MacMorran 310-325-7110 ext. 120 or email l.macmorran@lomitacity.com.

# Eligibility Requirements

* Buildings eligible for façade improvements must be located within the City of Lomita’s commercial zones and the applicant must demonstrate that they have experienced negative impacts because of the COVID pandemic. Negative impacts include full or partial closure of a business during the pandemic, change of location to a smaller tenant space, a reduction in size of an existing tenant space, or a reduction in work force or operating hours.
* Proposed improvements can include but are not limited to upgrades to entryways, awnings or canopies, signage, windows, doors, paint, exterior material changes, and exterior lighting.
* The business must be a permitted use or conditionally permitted use within the commercial zone.
* Completed application with all supporting documentation, as further outlined below.
* Have not received a previous award from the City of Lomita, inclusive of JCBI, American Rescue Plan’s Job Creation loan, or any Community Development Block Grant (CDBG) administered by Los Angeles County on behalf of the City in the past year.

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| ****PROGRAM FUNDING TERMS AND CONDITIONS**** |

1. **Funding Availability** All Program funding is limited to funding availability
2. **Loan Conditions, Rates and Terms** The maximum loan amount obtainable is $25,000 for the façade improvement program, which shall be used in accordance with the provisions of a signed Program Loan Agreement between the City and the Participants in conformance with Program requirements. The Program loan shall be evidenced by a promissory note, signed by all business owners. The Program loan will accrue interest at the rate of 1% per annum simple interest and does not require monthly payments. At the conclusion of the two-year participation period, the loan (inclusive of any accrued interest) will be forgiven, provided that the participant has complied with all Program requirements and are in conformance with the Program Loan Agreement.

Participants that wish to cancel the Program Loan Agreement prior to completion of the two-year participation period will be required to repay the loan amount, plus accrued interest. There is no pre-payment penalty, and the Participants may repay the loan at any time.

1. **Qualifying the Guarantor** The City will generally follow the rules of the Small Business Administration as to qualification of guarantors:
2. Active Management with any ownership equity in borrower must guaranty
3. Shareholders/owners of 20% or more equity in borrower must guaranty regardless of active involvement in management.
4. **Additional Terms**
5. Recipients must abide by all applicable federal, state, and local laws and regulations.
6. Additional terms and conditions may apply and will be disclosed in the loan agreement documents.

# Application Review Process

1. **Application Pre-qualification and Evaluation** -Each application filed will be dated and processed in the order received. At the completion of the six-week application submittal period, Staff will review applications for completeness and verify Applicant eligibility. Staff will advise Applicants by written correspondence of any deficiencies within incomplete applications, and indicate corrective measures required. Applications with deficiencies will be afforded 14 calendar days (from date of written correspondence) to provide staff with the identified missing materials. Ineligible Applicants shall be notified of their status by written correspondence.
2. **Applicant Evaluation and Staff Review** - Upon submittal of a complete application, and prior to consideration by the Loan Review Committee (LRC), Staff shall conduct a lottery to determine the order that the applications will be reviewed. An appointment will be scheduled with each qualified application until the last of the funds are allocated. Applicant to review program requirements, hiring goals, loan security requirements, procurement requirements, loan conditions, and reporting and documentation requirements. Based on the Applicant's concurrence with Program requirements, Staff shall prepare an LRC Funding Request Summary that will summarize critical Applicant, business, and program information for LRC review.
3. **LRC Review** - The Loan Review Committee (LRC) shall convene and provide a determination regarding the eligibility of the Applicant. The LRC shall perform a lottery of all qualified applicants, establishing an order to appear before the City Council for the award. The LRC shall present applications to the City Council for evaluation.
4. **City Council** – City Council shall determine the amount of funds to be conditionally awarded to the project, and any other conditions of approval or denial. Any determination of the City Council decision is final. All Program funding is limited to funding availability.

# AWARD DISBURSEMENT

Participants will receive awarded loan funds within 30 days of City Council’s approval and execution of loan agreement.