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CITY OF COMMERCE
COMMERCE ADVANTAGE PROGRAM GUIDELINES SUMMARY

Program Purpose

The Commerce Advantage Program is intended to advance economic development efforts and community revitalization by providing financial assistance to eligible businesses to make improvements that enhance building or property appearance, interior improvements, equipment purchases and accessibility upgrades, subject to program guidelines and available funding.

Program Funding & Grant Amount

Funding Source: Community Development Block Grant (CDBG) Program

Program Term: FY 26/27

Maximum Grant Award: Grants of up to \$10,000,

Number of Grants: Approximately nine (9) businesses

Applicant Cost Responsibility

If the total cost of the approved project exceeds the maximum grant award, the applicant is responsible for paying the difference. Prior to the start of construction, the applicant must provide a cashier's check for the amount exceeding the approved grant award. Construction will not begin until the required funds have been received.

Estimated Program Capacity

Total Program Budget: \$118,928

Category	Amount
Program Administration	\$23,795.60
Direct Grant Funding	\$95,132.40

Business Requirements

Grant funds may be used to offset costs to the business for certain eligible grant categories which are outlined below. Grant funds may only be applied to new/prospective expenses. No reimbursements for previously expended projects.

Business Eligibility Criteria:

- **Business Type:** Operate a retail, restaurant or service-related business that is physically located within the City of Commerce.
- **Business Operations:** Have been operating within the City on or before January 1, 2024, remain in operation at the time of application, and intend to continue operating.
- **Occupancy:** Be located in a commercial space that is either owner-occupied or renter-occupied under a valid lease agreement. If the applicant is a renter, written authorization from the property owner is required for all proposed improvements.
- **Max. Number of Employees:** Employ less than twenty (20) full-time equivalent (FTE) employees as of January 1, 2024.

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- **Required Licenses:** Holds all required federal, state, and local licenses, permits, and a current City business license.
- **Good Standing:** Be in good standing with the City, including having no outstanding code violations, fees, or other balances due, and be in compliance with the Commerce Municipal Code.
- **Income Eligibility:** Meet the applicable CDBG National Objective, as determined by the City, by qualifying as either a Low- and Moderate-Income Area Benefit (LMA) activity or a Low- and Moderate-Income Job Creation or Retention (LMJ) activity (see Income Limits). For projects qualifying under the LMJ National Objective, applicants must agree to create or retain permanent jobs for low- and moderate-income persons and provide any documentation required by the City to demonstrate compliance with HUD requirements.

Income Limits
Effective June 1, 2026

Household Size	1	2	3	4	5	6	7	8
80% AMI	\$93,300	\$106,600	\$119,950	\$133,250	\$143,900	\$154,600	\$165,250	\$175,900

HUD defines LMJ as individuals whose income is at or below 80% of Area Median Income (AMI) using the current CDBG income limits

Ineligible Businesses

The following businesses are not eligible to participate in the Business Assistance Program:

- Home-based businesses.
- Passive businesses, including rental properties and businesses where the owner does not actively operate or occupy the improved property.
- Nonprofit organizations.
- Businesses engaged in illegal activities.
- Adult-oriented businesses or businesses providing goods or services restricted to individuals over 18 years of age.
- Businesses primarily engaged in religious instruction or activities.
- Financial institutions and lending businesses, including banks, finance companies, and check-cashing businesses.
- Businesses primarily engaged in gambling, liquor sales, cannabis or smoke shop operations, firearm sales, bail bond services, pawnshops, or massage parlors.
- Government-owned entities (except businesses owned or controlled by a Native American tribe).
- Publicly traded companies, multinational corporations, and national chains that are not locally franchised.
- Multi-level marketing or pyramid sales businesses.
- Businesses without a bona fide ground-floor commercial storefront.
- Businesses owned/operated by City employees, elected officials, and appointed officials, where participation would create a conflict of interest.
- Businesses that have received other funding sources for the same eligible activities, as determined by the City.

Eligible Activities

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1. Job Creation and Retention

- Activities that create or retain permanent jobs for low- and moderate-income persons in accordance with HUD National Objective requirements.

2. Interior Building Improvements

- Plumbing improvements
- Electrical improvements
- Kitchen construction and improvements
- Major built-in kitchen equipment
- Dining room improvements
- Flooring replacement or installation
- Interior lighting upgrades
- Booths or other permanently anchored seating
- Interior wall construction or improvements
- Counter refurbishing
- Exhaust hood installation or replacement
- HVAC repair or replacement

3. Exterior Building Improvements

- New or upgraded wall signs and projecting signs
- Windows
- Doors
- Awnings and canopies
- Exterior painting
- Exterior and security lighting
- Permanent patio or outdoor seating improvements
- New murals or mural restoration
- Roof repair or replacement

4. Building Modernization and Conversion

- Grease trap installation
- Utility upgrades
- Seismic retrofitting
- Hazardous materials (hazmat) abatement, including asbestos and lead-based paint

5. Accessibility Improvements

- Americans with Disabilities Act (ADA) improvements, including interior and exterior accessibility upgrades necessary to comply with applicable accessibility standards.

6. Professional Services

- Design and architectural services directly related to eligible improvement projects.

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Additional improvements that are deemed to be consistent with the intent of the program will be reviewed and approved/disapproved on a case-by-case basis by the Program Director.

Allowable Soft Costs (Included in the Grant Cap)

When required for an eligible exterior repair, the plan check fees and permit fees may be included and will count toward the maximum grant amount:

Note: Total project costs, including soft costs (plan checks/permits) and construction, must remain within the approved maximum grant award.

Typical Price Ranges for Eligible Repairs (Estimates)

Actual costs vary depending on the building's condition, size, and contractor pricing.

Category	Eligible Improvement	Estimated Cost Range	CDBG Eligibility Notes
Interior Building Improvements	Plumbing improvements	\$2,500 – \$25,000	Permanent improvements only
Interior Building Improvements	Electrical improvements	\$3,000 – \$30,000	Permanent improvements only
Interior Building Improvements	Kitchen construction and improvements	\$10,000 – \$100,000+	Permanent improvements only
Interior Building Improvements	Major built-in kitchen equipment	\$5,000 – \$75,000+	Built-in equipment only; portable equipment not eligible
Interior Building Improvements	Dining room improvements	\$10,000 – \$75,000	Permanent improvements only
Interior Building Improvements	Flooring replacement or installation	\$5,000 – \$30,000	Eligible
Interior Building Improvements	Interior lighting upgrades	\$2,000 – \$20,000	Eligible
Interior Building Improvements	Booths or permanently anchored seating	\$5,000 – \$40,000	Must be permanently anchored
Interior Building Improvements	Interior wall construction or improvements	\$3,000 – \$40,000	Eligible
Interior Building Improvements	Counter refurbishing	\$3,000 – \$30,000	Permanent fixture
Interior Building Improvements	ADA accessibility improvements	\$5,000 – \$75,000	Eligible

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Interior Building Improvements	Exhaust hood installation or replacement	\$10,000 – \$60,000	Built-in system
Interior Building Improvements	HVAC repair or replacement	\$8,000 – \$50,000	Building system
Exterior Building Improvements	Wall/projecting signs	\$2,000 – \$20,000	Subject to City permits
Exterior Building Improvements	Windows	\$3,000 – \$40,000	Eligible
Exterior Building Improvements	Doors	\$1,500 – \$10,000	Eligible
Exterior Building Improvements	Awnings and canopies	\$5,000 – \$30,000	Eligible
Exterior Building Improvements	Exterior painting	\$5,000 – \$40,000	Eligible
Exterior Building Improvements	Exterior lighting	\$2,000 – \$20,000	Eligible
Exterior Building Improvements	Security lighting	\$2,000 – \$15,000	Eligible
Exterior Building Improvements	Permanent patio/outdoor seating improvements	\$10,000 – \$75,000	Permanent improvements
Exterior Building Improvements	New murals or mural restoration	\$5,000 – \$30,000	Subject to City approval
Exterior Building Improvements	Roof repair	\$10,000 – \$50,000	Eligible
Exterior Building Improvements	Roof replacement	\$25,000 – \$150,000+	Eligible
Building Modernization and Conversion	Grease trap installation	\$10,000 – \$60,000	Eligible
Building Modernization and Conversion	Utility upgrades	\$5,000 – \$100,000	Eligible
Building Modernization and Conversion	Seismic retrofitting	\$25,000 – \$500,000+	Eligible
Building Modernization and Conversion	Hazmat abatement (asbestos/lead)	\$5,000 – \$75,000+	If required by law/project
Accessibility Improvements	ADA accessibility improvements	\$5,000 – \$100,000	Eligible

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Professional Services	Design and architectural services	5%–15% of construction costs (typically \$2,500–\$50,000)	Directly related to eligible construction
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Application Process

The Commerce Advantage Program application process consists of the following steps:

- **Step 1 – Preliminary Application:** Interested businesses must submit a Preliminary Application to determine whether they meet the basic program eligibility requirements.
- **Step 2 – Eligibility Review:** The Program Administrator will review the Preliminary Application to verify business eligibility and determine whether the proposed project appears to meet program requirements.
- **Step 3 – Invitation to Apply:** Businesses that meet the preliminary eligibility requirements will be invited to submit a complete application and all required supporting documentation.
- **Step 4 – Complete Application Review:** The Program Administrator will review the completed application and supporting documents to verify eligibility, confirm compliance with all applicable Community Development Block Grant (CDBG) requirements, and determine whether the proposed improvements are eligible for funding.
- **Step 5 – Site Inspection:** An on-site inspection will be conducted to evaluate existing conditions, discuss the proposed improvements with the business owner and property owner (if applicable), and determine project feasibility.
- **Step 6 – Scope of Work and Cost Estimate:** Based on the site inspection, the Program Administrator will prepare a detailed scope of work and cost estimate for the eligible improvements.
- **Step 7 – Environmental Review and Procurement:** Projects will undergo all required environmental review and procurement activities, including obtaining contractor bids, before funding is approved.
- **Step 8 – Grant Approval:** Once all program requirements have been satisfied, the City will approve the project and execute the required Grant Agreement(s). If project costs exceed the maximum grant award, the applicant must provide the required contribution before construction begins.
- **Step 9 – Construction:** Construction may begin only after the Grant Agreement has been fully executed, all required approvals have been obtained, and the City issues written authorization to proceed.
- **Step 10 – Project Completion and Payment:** Upon completion of the approved improvements, the Program Administrator will conduct a final inspection to verify that the work was completed in accordance with the approved scope of work before processing payment to the contractor.

Contractor Requirements

Contractors performing work under the Commerce Advantage Program must meet all applicable federal, state, and local requirements. Prior to the start of construction, the selected contractor shall:

- Hold a valid California contractor's license appropriate for the scope of work.

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- Possess a current City of Commerce business license.
- Contractors shall maintain all insurance required by the City of Commerce, including Commercial General Liability, Automobile Liability, and Workers' Compensation insurance, and shall provide certificates of insurance naming the City as an Additional Insured. Insurance coverage must remain in effect for the duration of the project.
- Be actively registered and in good standing with SAM.gov, obtain and maintain a valid Unique Entity Identifier (UEI), and not be suspended, debarred, or otherwise excluded from receiving federal funds.
- Comply with all applicable federal labor standards, including prevailing wage requirements, if required by the project.
- Obtain all required permits and inspections prior to and during construction.
- Complete all work in accordance with the approved scope of work, applicable building codes, and program requirements.
- Submit all required payment documentation, including invoices, and any other documentation requested by the City or Program Administrator.

The City reserves the right to reject or remove any contractor that fails to comply with program requirements or applicable laws and regulations.

Payment Process

Grant funds will be paid directly to the contractor after the approved improvements have been completed, all required inspections have been successfully completed, and the City has verified that the work complies with the approved scope of work and program requirements.

Record Retention and Monitoring

The City and Program Administrator will maintain all required program records and monitor funded projects to ensure compliance with Community Development Block Grant (CDBG) requirements. Program participants must cooperate with any requests for documentation, inspections, or audits related to the grant-funded project.

Conflict of Interest

City employees, elected and appointed officials, the Program Administrator, and any individual involved in the administration or decision-making of the Commerce Advantage Program, including any individual living in the same household as the listed employees/officials, are not eligible to receive grant assistance. Applicants must disclose any actual or potential conflicts of interest, and the City reserves the right to deny assistance if a conflict of interest is determined to exist.