



City of Berkeley

# Retrofit Grants

## Program Rules (2020)

Revised 12/09/2020



Review these Rules prior to submitting an Application to the City of Berkeley's Retrofit Grants program.

*The Retrofit Grants program is funded by a Hazard Mitigation Grant from the Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (Cal OES).*

### Contents

Page 1	Eligibility
Page 2	Technical Guidelines
Page 3	Grant Amounts
Page 4	Grant Application Process / Program Deadlines
Page 5	Program Milestones and Key Dates / Retrofit Grant Conditions of Approval
Page 6	FEMA Review
Page 7	Design Grant Reimbursement Process / Construction Grant Reimbursement Process
Page 9	Selection of Design Professionals and Contractors
Page 10	Additional Requirements Commonly Triggered by Building Permit Submittal
Page 10	Program Documents and Updates

### Eligibility

Retrofit Grants program funding is limited to seismic retrofits of the following types of buildings:

- **Non-Ductile Concrete** buildings (or portions of buildings)
- Tilt-up and other **Rigid Wall - Flexible Diaphragm (RWFD)** buildings with concrete or reinforced masonry walls and wood or steel roof structures
- **Soft, Weak, or Open Front (SWOF)** wood-framed buildings with three or more residential units (plus hotels/motels with three or more guest rooms, non-residential buildings, and mixed-use buildings)
- **Other Wood-Framed Buildings** with seismic deficiencies including three or more residential units
- **Unreinforced Masonry (URM)** buildings

Grants are **NOT** available through this program for:

- Detached single family homes or duplexes
- Unoccupied buildings, including buildings used only for storage, unless subject to mandatory retrofit requirements
- Buildings owned by the State of California, University of California, Berkeley Unified School District, or facilities such as hospitals that are outside of the jurisdiction of the Berkeley Building Official
- Retrofit projects that start construction prior to FEMA review and approval
- Construction completed by owner-builder

Eligible building types are further defined in the technical guidelines for the program (see below).

Applicants to the program must adhere to all Program Rules and Technical Guidelines, in order to be eligible for reimbursement.

## **Technical Guidelines**

Retrofits must be designed to meet the program's technical requirements specific to each building type, as described in the following Guideline documents. These Guidelines can be downloaded from the program website. Eligible building types are further defined in these Guidelines:

- **Non-Ductile Concrete or RWFD buildings**
  - Non-Ductile Concrete buildings should adhere to the [Retrofit Grants Guidelines for Retrofit of Concrete Buildings](#).
  - Tilt-up and other Rigid Wall-Flexible Diaphragm (RWFD) buildings should adhere to the [Retrofit Grants Guidelines for Retrofit of RWFD Buildings](#).
  - Some buildings may be able to use either set of Guidelines.
- **Soft, Weak, or Open Front (SWOF) buildings**
  - Soft Story buildings built before 1978 with five or more residential units, subject to mandatory retrofit requirements, must adhere to the requirements of Berkeley Municipal Code Chapter 19.39 and the [City of Berkeley Framework Guidelines for Soft, Weak or Open Front Building Retrofit Design](#).
  - Soft Story buildings with 3 or more units undertaking voluntary retrofits should adhere to the [Retrofit Grants Guidelines for Voluntary Retrofit of Soft Story Buildings](#), the modified version of the Soft Story Framework Guidelines for voluntary retrofits under the Retrofit Grant program. This modified version contains the same engineering criteria and technical requirements.
- **Unreinforced Masonry (URM) buildings**
  - URM buildings should adhere to the structural requirements in [Berkeley Municipal Code Chapter 19.38](#).
- **Coming Soon:** Technical guidelines for **Other Wood-Framed Buildings with Seismic Deficiencies**, such as buildings with irregularities or vertical discontinuities, are currently being drafted. If you believe your building is this building type, please contact program staff for more information.

Where a building presents unusual circumstances or where multiple sets of Guidelines may apply, the project’s engineer may direct questions regarding the selection of the most appropriate set of technical Guidelines to program staff.

On the building permit application, the “Description of Work” field should include a note that the project is participating in the Retrofit Grants program and should indicate which of the above technical Guidelines were used, in addition to a brief description of the proposed work.

**Grant Amounts**

Grants will be paid as reimbursements to approved applicants for qualifying costs associated with seismic retrofits. (See the Reimbursement Process sections below.)

Available grant sizes vary depending on the type of project. Applicants may apply for both a Design Grant and a Construction Grant for each project.

Design Grants will be capped as shown in the table below. Design Grants may not exceed 75% of actual documented design expenditures related to the seismic retrofit of the building.

Construction Grants will typically not exceed 40% of the actual construction costs, including contractor fees and the cost of special inspections. The Building and Safety Division may authorize larger grant amounts for projects of significant community benefit.

Building Type	Design Grant Maximum Size	Construction Grant Maximum Size
<b>Non-Ductile Concrete</b>	\$10,000 (cap at 75% of Design Costs)	\$25,000 to \$150,000 (Cap at 40% of Construction Costs)
<b>Tilt-up and other RWFD</b>		
<b>Soft Story</b> 5+ residential units, non-residential, and hotels/motels	\$5,000 (cap at 75% of Design Costs)	\$25,000 to \$150,000 (Cap at 40% of Construction Costs)
<b>Unreinforced Masonry</b>		
<b>Soft Story</b> 3-4 residential units	\$5,000 (cap at 75% of Design Costs)	\$15,000 to \$20,000 (Cap at 40% of Construction Costs)
<b>Other Wood-Framed Buildings</b> 3-4 residential units	\$5,000 (cap at 75% of Design Costs)	To be determined
<b>Other Wood-Framed Buildings</b> 5+ residential units	\$10,000 (cap at 75% of Design Costs)	To be determined

\*The maximum Construction Grant size for any project cannot exceed 75% of the permit valuation or actual retrofit costs, whichever is lower. Grant maximums for each building type vary according to demand, occupancy and square footage. If a seismic code enforcement case is open for the building, grants will be capped at \$25,000.

## **Grant Application Process**

Owners of eligible buildings may apply for a Design Grant and/or a Construction Grant using the program [Application form](#). Application forms must be received by the application deadline.

All legal owners must sign the grant Application form. An additional Application sheet may be attached with all necessary signatures if more room is needed. For properties owned by a business entity or a trust, a signature from an appointed representative or trustee is required. The City of Berkeley may require verification that the signatory has the “power” to sign on behalf of the entity or trust.

Applicants should provide the best available estimates for design and construction costs and project timeline on the [Application form](#). These estimates will be used to reserve grant funds, but the actual amount of Design Grants and Construction Grants will be calculated based on the permit valuation and the documented project costs submitted by the owner after work is performed.

Owners must provide photographs from all publicly visible sides of the building at the time of application. At least three photographs are required. See the [program website](#) for photograph instructions.

All submitted Applications will be reviewed for completeness and program eligibility. If more eligible applications are received than can be funded, the City may place some projects on a waiting list in case funding later becomes available. Grants will be awarded based on criteria that include the buildings’ type, use, occupant load, size, number of stories, age, location, and seismic hazard level. Applicants who apply before October 30, 2020 will receive the earliest consideration. All other applications will be accepted on a rolling basis until May 3, 2021, and funding will be reserved on a first come, first served basis.

The City expects to notify initial applicants by November 20, 2020 of their Design Grant status. All subsequent applicants will be notified of their award status within 4-6 weeks of program application submittal. The City will also provide an initial indication of whether Construction Grant funds are available for the project. ***Approval of a Design Grant does not guarantee eligibility for Construction Grant funding. Construction Grant eligibility is subject to FEMA review and the City’s review of drawings submitted with the building permit application.***

Property owners who are approved to move forward in the program will be asked to confirm their interest in a grant and their intention to proceed with and complete the project within the program deadlines posted on the website, [www.cityofberkeley.info/retrofitgrants](http://www.cityofberkeley.info/retrofitgrants). The City may also request additional information about the intended scope of the retrofit project, either before or after approving a grant.

## **Program Deadlines**

Applicants must meet all program deadlines to retain eligibility for grant funding. If an owner does not meet the deadline to apply for a building permit, and has not been approved for a time extension, the City reserves the right to provide funding to a project on the waitlist instead.

Program Milestones	Key Dates
Submit Retrofit Grants Program Application	Application period opens on September 1 <sup>st</sup> 2020. (Funding will be reserved for projects on a first come, first served basis.) Apply before October 30 <sup>th</sup> 2020 for earliest consideration. Applications will be accepted on a rolling basis through May 3 <sup>rd</sup> 2021.
City will notify applicants by email of their design grant status and tentative construction grant award level, subject to FEMA review	A review of the initial applications will take place after October 30 <sup>th</sup> and owners will be notified by November 23 <sup>rd</sup> 2020 of their status. Thereafter, applications will be accepted on a rolling basis and awards will be made within 4-6 weeks after applications are submitted
Apply for a Building Permit	Within 6 months of receiving grant approval letter (no later than November 1 <sup>st</sup> 2021)
City Staff will review drawings for both compliance with City and FEMA requirements and then confirm construction grant award level; Environmental and Historic Preservation (EHP) review performed either by FEMA or designated City staff	Upon submittal of a building permit application
Obtain a Building Permit. (Eligible applicants can now request reimbursement for a design grant once their permit is ready for issuance.)	Within 6 months of submitting a building permit application (no later than April 1 <sup>st</sup> 2022)
Complete construction and receive Approved Final Inspection. (Eligible applicants can request reimbursement for construction grants after obtaining an approved final inspection.)	Within nine months of permit issuance. Extensions will be considered on a case-by-case basis.

### **Hazard Mitigation Assistance Grant Conditions of Approval**

All applicants seeking funding through the Retrofit Grants Program will be required to submit a signed copy of the [Retrofit Grant Conditions of Approval form](#). Design grant applicants will also be required to submit a signed [Engineer/Architect Provision](#) prior to submittal of a building permit application, and Construction grant applicants a signed [Contractor Provision](#) prior to permit issuance.

## **FEMA Review**

***The grants provided in this program are federal funds. To be eligible for a Construction Grant, applicants must wait for notification that the environmental and historic preservation (EHP) review process has been completed and FEMA has approved the project. Projects that begin construction prior to receiving notification of FEMA approval will lose their eligibility for a Construction Grant per FEMA funding requirements.***

As part of the review of your permit application, the City of Berkeley will work with FEMA to conduct an environmental and historic preservation review. The City will submit photographs of each building to FEMA, along with the detailed structural plans of the proposed retrofit project. During the environmental and historic preservation (EHP) review process, the City may request additional information from the applicant to respond to requests from FEMA. The City may also request access to the property to take additional photos or provide access to FEMA or its consultants to better understand the building or proposed scope of work. The lack of an adequate response may result in the owner's loss of Construction grant eligibility. Once FEMA has approved a proposed project, any significant changes to the scope of work may require additional review and approval by FEMA and could result in the loss of Construction grant eligibility.

### ***Exterior Alterations***

The Application form includes a section for the applicant to briefly summarize the project (if this information is available at the time of application). Please indicate on the application whether the project will result in any changes that will be visible from the exterior of the building. If exterior alterations to the building are included in the project's scope of work, please include elevation drawings clearly showing any exterior changes when submitting a building permit application, in addition to the structural drawings.

***The City is not able to provide a precise timeline for the environmental and historic preservation (EHP) review or guarantee that all projects will be approved by FEMA for funding.*** Depending on the type of retrofit project and the age or historic nature of the building, the review period may be 5-10 months. Historic buildings (as defined by FEMA), and projects that impact the exterior façade or other character-defining elements of the building, will likely require additional review by FEMA and may not be approved for funding if the project is determined to have a negative impact on the historic character of the building. Once the environmental and historic preservation (EHP) review is completed and the project has received FEMA approval, the City will notify the property owner of their approval and provide confirmation of their Construction grant eligibility. Grant availability will be contingent on the property owner applying for a building permit, addressing plan check comments, obtaining a building permit and completing construction consistent with the FEMA approved plans within the applicable program timelines provided below.

### ***Permit Revisions***

The City will review submitted building permit drawings and revisions to approved plans to confirm consistency of the drawings with those previously approved by FEMA. To ensure grant funding, applicants should alert program staff to any significant changes to a project's scope of work.

## Design Grant Reimbursement Process

Design Grants will be paid after the applicant has applied for a building permit, obtained plan check approval, and the permit is ready for issuance.

A [Reimbursement Request form](#) must be submitted along with copies of invoices from licensed design professionals for all design expenses, as well as copies of cancelled checks documenting payment.

Design Grants may reimburse engineering and architecture fees incurred **after October 10, 2017**. Design fees must be associated with a city-approved and ready to issue building permit. Design Grants may not exceed 75% of the actual documented design expenditures related to the seismic retrofit of the building. For projects that include work not associated with the seismic retrofit, applicants may be asked to separate and/or justify the portion of the design work that is related to the seismic retrofit.

When a design-build entity is performing both the design and construction of a project under the same contract, the owner or designer must submit documentation that clarifies the portion of the contract amount associated with the design phase of the project. Hiring a design-build entity does not remove the requirement to obtain multiple contractor bids.

### *Design Grant Time Limit:*

After a Design Grant Application form is received and approved, the applicant must apply for a building permit within 6 months, no later than November 1, 2021. **Property owners must meet all deadlines or be granted an extension in writing to be guaranteed grant funding.** Building owners who do not meet deadlines will receive funding only if it is still available.

Property owners may consider including deadlines in contracts with design professionals to provide drawings by a certain date and respond to plan check comments within a certain number of days of issuance, to ensure all program deadlines are met.

Costs eligible for Design Grant Reimbursement:

- Seismic retrofit design costs paid to California licensed professionals (engineers or architects)

Costs not eligible for Design Grant reimbursement:

- Amounts paid to entities that are not California licensed design professionals
- Costs unrelated to the seismic retrofit design or that are outside the scope of the technical Guidelines
- Design costs incurred prior to May 27, 2020
- Design costs for projects that have not completed the building permit plan check process
- Permit fees

## Construction Grant Reimbursement Process

Construction grants are paid after the applicant has completed construction, obtained an approved final inspection, and submitted the engineer's letter of structural observation and the special inspection agency affidavit(s) to the building inspector.

A [Reimbursement Request form](#) must be submitted along with copies of invoices from licensed contractors for all construction costs, as well as copies of cancelled checks documenting payment. Eligible costs include contractor labor and materials, special inspections, and engineering costs for structural observation. Permit fees are not eligible for reimbursement.

The applicant must also submit copies of any construction bids received, a signed copy of the contract with the selected contractor (if not already submitted), and photographs of the completed retrofit project. If any changes to the exterior were included in the retrofit or specific conditions of approval were placed on the project by FEMA, please be sure photographs highlight these features.

*Construction Grant Time Limit:*

After receiving notice of EHP approval and reservation of a Construction grant, the applicant **must complete their retrofit construction and obtain an approved final inspection within nine months, or no later than October 3, 2022 to be guaranteed Construction grant funding.**

Extensions may be considered in advance on a case-by-case basis. Confirmation of Construction grant eligibility requires submission of a building permit application. Building owners who do not apply for or obtain a building permit within the program timeline may lose reserved Construction grant funding. Funding for the Retrofit Grants Program ends January 2, 2023. All opportunities to receive grant reimbursements will be forfeit after this date.

*Permit Valuation:*

- Construction Grant reimbursements are calculated based on the lower of the following, plus the costs of structural observation and special inspections paid by the owner:
  - The total documented amount paid to the contractor for retrofit construction or
  - The stated construction valuation on the building permit
- If construction costs exceed the stated valuation, owners may contact the Permit Service Center to increase the permit valuation **prior to permit issuance** in order to maximize their grant size. Additional permit fees will apply and you may be subject to [additional requirements](#).

Costs eligible for Construction Grant Reimbursement:

- Seismic retrofit construction costs (including materials and labor)
- Costs of special inspections and structural observation

Costs not eligible for Construction Grant reimbursement:

- Amounts paid to unlicensed contractors
- Construction costs unrelated to the seismic retrofit
- Projects that begin construction prior to notice of FEMA construction approval
- Permit fees

## Selection of Design Professionals and Contractors

Cal OES requires that applicants for Retrofit Grants funding seek **multiple proposals from design professionals and multiple bids from licensed contractors**, in order to be eligible for reimbursement under this program. In compliance with this requirement, the City of Berkeley requires applicants to follow the guidance below to document their efforts to obtain multiple proposals and bids.

Forms to assist with this documentation are available on the [program website](#). Early submittal of this documentation is encouraged.

For each company contacted, please provide the following:

- Name of company
- Date contacted (Approximate date if exact date is unknown)
- How you contacted them (phone, email, etc.)
- Name of person contacted
- Company's response (Was a bid received?)
- Design Proposal/Contractor Bid Amount

### *Proposals from Design Professionals (for Design Grants)*

- Design Grant applicants are encouraged to obtain three (3) or more proposals from designers. Please provide copies of all bids received. To receive a Design grant, at least two proposals from licensed design professionals must be provided along with documentation of at least one other attempt to obtain a third proposal. If the lowest proposal was not selected, provide an explanation in your documentation.
- Applicants who hired an architect or engineer prior to the announcement of the grant program, should speak with program staff regarding Design grant eligibility.
- Provide a copy of your signed contract with your selected design professional(s).
  - If you are using a "design-build" contract with a single entity performing both design and construction, the contract should separately identify the amount due for the design phase. If applicant is also seeking a construction grant, multiple contractor bids are still required per program rules and federal guidelines.

### *Bids from Contractors (for Construction Grants)*

- Construction Grant applicants must try to obtain at least three (3) contractor bids. To receive a Construction Grant, at least two bids from licensed contractors must be provided along with documentation of at least one other attempt to obtain a bid.
- For construction contracts exceeding \$250,000, three (3) or more contractor bids are required and more stringent procurement methods may apply. Speak with program staff prior to selecting your contractor if you anticipate your construction contract will exceed \$250,000.
- Provide a copy of your signed contract with your selected contractor.
- If the lowest bidder is not selected, provide an explanation in your documentation.

It is the sole responsibility of the property owner to select design professionals and contractors who hold a **valid and current license to practice in the state of California**. Costs incurred for services performed without a valid and current license cannot be reimbursed under the Retrofit Grants program. To verify an engineer's license, visit <https://search.dca.ca.gov/>. To verify a contractor's license, visit <http://www.cslb.ca.gov>.

***Retrofit Grants funding cannot be used to reimburse owners for expenses paid in cash or for construction completed by owner-builders.***

### **Additional Requirements Commonly Triggered by Building Permit Submittal**

- Carbon Monoxide and Smoke Detectors (Residential Buildings)
- Gas Shut-off Valves (If construction work exceeds \$50,000)
- Inspection and potential repair or replacement of private sewer lateral (If construction work exceeds \$60,000)
- Accessibility (Typically commercial buildings and multi-family dwellings built after March 13, 1991)

Visit <https://www.cityofberkeley.info/Triggers/> for more information.

### **Program Documents and Updates**

Visit [www.cityofberkeley.info/retrofitgrants](http://www.cityofberkeley.info/retrofitgrants) for all Retrofit Grants program materials and current program updates. All program updates will become effective upon being posted online.