



# **CITY OF FORT COLLINS LANDMARK REHABILITATION LOAN PROGRAM**

## **Loan Guidelines**

*This project was partially funded by a State Historical Fund  
grant award from the Colorado Historical Society*

# LOAN GUIDELINES

## **LANDMARK REHABILITATION LOAN PROGRAM PURPOSE**

The goal of the loan program is to improve the quality and integrity of designated historic resources in Fort Collins. Since historic buildings represent a source of pride for the community, a high standard of rehabilitation is expected of these structures. Every project is reviewed using the U.S. Secretary of the Interior's Standards for Rehabilitation to ensure high quality and workmanship. Ordinary maintenance items, such as painting or replacement of a roof with asphalt shingles, are typically not funded through this program.

The program provides 0% interest loan funds to residential and non-residential historic properties. Loan funds are repaid to the City only through the sale or transfer of the property. Funds returned to the City are recycled back into the program, providing an ongoing source of dollars for additional projects.

## **APPLICATION MATERIALS**

An application can be obtained from the City Planning and Community Development website or by contacting us (see below).

## **STAFF CONTACTS**

Timothy Wilder, City Planner and Loan Administrator  
Karen McWilliams, Historic Preservation Planner

Office: 281 N. College Avenue (Maple and N. College), Fort Collins  
Phone: (970) 221-6376  
Fax: (970) 224-6111  
Email: [CityPlanning@fcgov.com](mailto:CityPlanning@fcgov.com)  
Website: [www.fcgov.com/historicpreservation/](http://www.fcgov.com/historicpreservation/)

Please submit all applications to:

City Planning and Community Development Department  
City of Fort Collins  
P.O. Box 580  
Fort Collins, Colorado 80522

## **APPLICATION DEADLINES**

All applications for rehabilitation loans are due the third Tuesday of January each year. Applications must be postmarked on or before the deadline or hand-delivered by 5:00 p.m. on that date.

## **LOAN AMOUNTS**

The maximum loan amount for any project is \$5,000, except that in 2008 the City will be accepting applications for loans of up to \$8,000 for commercial properties. There is no minimum loan amount. There is no application fee. Loans are zero (0) % interest with payment due to the City upon sale or transfer of the property. Loans repaid to the City will revolve back into the rehabilitation loan program.

Depending on the demand for loans, the selection process can be very competitive and not all projects will receive funding. In certain instances, funded projects may receive less than the amount requested.

### **CASH MATCH REQUIREMENTS**

It is very important that applicants share in the cost of their project. A minimum cash match of 50% of the total project cost is expected from all applicants, and a larger cash match will improve the chances of being funded. Funds provided by other organizations, such as the State Historical Society, can be used to match loan funds (except for commercial properties). If matching funds provided by other organizations are not available after rehabilitation work is complete, the applicant is expected to make up the match shortfall.

### **ELIGIBLE STRUCTURES**

Any residential or non-residential structure that has been designated a local historic landmark is eligible for no-interest loan funding. Local landmarks are buildings that have been designated for protection by the City of Fort Collins City Council. In addition, properties in a local landmark district (Historic Old Town District and Sheely Drive Historic District) are eligible. Properties must be designated before a loan can be approved (e.g., designated before March 1 of each year). The designation process can take several months. Please contact Karen McWilliams at 970-221-6376 for more information on landmark designation.

There are no restrictions on the number of loan awards an applicant may receive.

### **ELIGIBLE APPLICANTS**

The owner, whether an individual or an organization, of a historic landmark, may apply for a loan. The owner may also designate a contact person who will receive phone calls or mailings.

### **PROJECT REQUIREMENTS**

- Projects must involve the physical preservation, restoration or rehabilitation of the structure's **exterior** and must preserve the historic character of the property. Normal maintenance items are not eligible.
- All work must be conducted in accordance with existing City of Fort Collins design standards and guidelines and the Secretary of Interior's Standards for the Treatment of Historic Properties. A copy of the most recent version of these standards is attached as Appendix A.

Rehabilitation for the purpose of these awards means that an effort is being made not only to maintain an historic property in reasonable repair, but to improve, reclaim and restore historic architectural characteristics that are threatened or have been lost through wear, alteration, or neglect.

### **ELIGIBLE COSTS AND IMPROVEMENTS**

Eligible costs include hard costs associated with the physical preservation of a historic property. Labor costs are eligible if the work is to be done by someone other than the applicant/owner.

Some eligible elements include:

- cornices, soffits, trim – rehabilitation with historic materials
- doors – restoration of historic doors or replacement of non-historic doors with historic replicas

- porches – restoration or reconstruction (if consistent with historic character)
- foundations – repointing, stabilization, etc.
- gutters – installation or replacement
- chimneys - masonry such as chimney tuck pointing
- roofs - repair/replacement with approved historic materials (typically wood) including subroof and other structural elements
- siding – masonry work, stucco repair, and other siding restoration/replacement with historic materials, cleaning with sensitive methods
- steps and stairways – rehabilitation or reconstruction (if consistent with historic character)
- windows - restoration of existing windows where possible, screens, storm windows that protect and don't diminish the detract from historic windows
- storefronts – rehabilitation to historic character
- demolition of non-historic elements
- stripping of paint in order to restore a façade or repair siding

Some additional project elements are eligible under the property owner's "dollar for dollar" match **only** if they are part of a larger rehabilitation project that includes at least one of the eligible features and improvements listed above. These match elements include:

- painting
- heating
- new foundation
- plumbing
- repair of interior structural elements
- sprinkler systems in commercial structures
- wiring
- non-historic elements required by building and safety codes

## **INELIGIBLE COSTS AND IMPROVEMENTS**

- Improvements undertaken due to normal wear and tear, including but not limited to:
  - painting (unless part of a larger rehabilitation project)
  - roof replacement with asphalt shingles
- Routine or periodic maintenance (such as cleaning, routine painting, minor repairs, general periodic upkeep, redecorating or any purely cosmetic change that is not part of an overall rehabilitation or that does not enhance the property's character).
- Soft costs and permit fees - appraisals, architectural, engineering, and interior design fees, legal, accounting and realtor fees, loan fees, sales and marketing, closing, building permit, use and inspection fees, bids, insurance, project signs and phones, temporary power, bid bonds, copying, and rent loss during construction.
- Acquisition costs.
- New additions or enlargements (except where required by building and safety codes).
- Landscaping - Excavation, grading, paving, landscaping or site work such as improvements to paths or fences unless the feature is part of the landmark designation.
- Repairs to additions made to a historic property after the property was officially designated.
- Reimbursement for owner/self labor.
- Interior improvements – drywall, non-load bearing interior walls, etc.
- Non-historical decorative elements.
- Outbuildings which are not part of the landmark designated property.
- Signs.
- Skylights.
- Solar equipment.

- Security features.

For any item not on these lists, City staff will make a determination whether or not the item is eligible for a landmark rehabilitation loan.

## **APPLICATION REVIEW PROCESS**

Applications are screened by City Planning and Community Development Department staff to verify project eligibility. If any additional information is required, staff will contact the applicant directly. The Landmark Preservation Commission (LPC) holds an application review meeting in February. During the meeting, the LPC discusses projects, receives public input, generates project rankings, and awards loan funding. Scoring criteria is used to evaluate and rank projects for funding. The criteria are attached as Appendix B.

In addition, commercial properties will be reviewed by the State Historical Society after being approved by the LPC.

## **PROJECT REVIEW AND COMPLETION**

You will receive official written notification on or before March 1 of the loan award amount. After notification of an award, you must submit an application to the Landmark Preservation Commission (LPC) for design review. You may also have the LPC review your project before submitting for a loan. Work may begin after award notification, final LPC design review approval and issuance of a building permit, if required by the City. Projects must be completed within one year from the date on which the loan was awarded. In certain cases, a one-year extension can be granted.

Acceptance of a loan award means that you are committing to fully completing the project identified in your application. If unexpected circumstances occur that prevent you from completing all of the work specified in the application or if the project is less costly than anticipated, then the loan amount may be reduced. The amount of reduction corresponds to the ratio of loan funds to match funds. For example, if you were awarded \$2,500 for a \$5,000 project, but your expenses actually totaled \$4,000, then the maximum loan amount you may receive is \$2,000. The reason for this policy is to ensure that loans do not comprise more than 50% of the project cost and that applicants carry through on their commitment to complete the project.

It is important to obtain accurate estimates of the cost of the project before submitting an application to ensure that the final cost will be close to the estimate. This will help ensure that you receive the full loan award amount and that your matching costs do not exceed your budget.

## **DISBURSEMENT OF FUNDS**

Projects awarded loan funding are reimbursed after work has been completed and reviewed by the City (and in the case of commercial properties, after review by the State Historical Society). After an inspection, you will be required to sign a Promissory Note and a Deed of Trust to secure the funding you receive through the Landmark Rehabilitation Loan Program. The Deed of Trust is recorded with Larimer County and the original documents are kept by the City until the debt is satisfied.

The Deed of Trust is used to secure the Landmark Rehabilitation Loan Program funds. This means that the City holds a lien on your home until the debt is paid. The City will accept

"subordination" behind your first mortgage. In other words, the mortgage amount is paid off before the landmark rehabilitation loan. An additional home equity loan may insist on the second place standing. The Landmark Rehabilitation Loan Program will accept a position below second only if the equity in your home is greater than its debt. If an Ownership and Encumbrance Report shows that the Rehabilitation Loan Program would be subordinated to third position, the City will request additional information to compare the building's equity to its debt. The additional information may be debt status reports, recent appraisals, County Assessor appraised values or other information showing the property's equity to debt ratio.

In planning your project, you should arrange to have adequate funds on hand to pay the final costs of the project if required by your contractor.

### **REPAYMENT OF LOANS**

If you decide to sell your property, a title company will research any liens held on the property in order to insure the new buyer has "clear title". The title company will contact the City and request a "payoff" amount. This amount will be the same as the loan amount you received. The title company will provide a check from the proceeds of the sale of your home made payable to the City to release the lien. Once the lien is released, there is no further requirement on your part.

## ELIGIBILITY CHECKLIST

- My property is a local historic landmark or within a local landmark district.
- I am planning to **rehabilitate** my property. For the purposes of the loan, rehabilitation means that an effort is being made not only to maintain an historic property in reasonable repair, but to improve, reclaim and restore historic architectural characteristics that are threatened or have been lost through wear, alteration or neglect.
- The work I'm planning primarily involves the **exterior** of my structure, e.g., windows, doors, porch, siding, roof, steps, or foundation work. Certain types of interior work is allowed as part of the cash match.
- I am seeking no more than \$5,000 in loan funding (except for commercial properties which may seek up to \$8,000).
- I have secured at least 50% of the total eligible project cost to be used as a match to the loan.
- I can complete my project within a year.

## APPENDIX A

### **The Secretary of the Interior's Standards for the Treatment of Historic Properties**

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces and spatial relationships.
2. The historic character of a property shall be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

## APPENDIX B

### Scoring Criteria

This sheet contains criteria and scoring for the ranking of Landmark Rehabilitation Loan Program applications. Point assignments are made based on how well an application addresses the adopted criteria. An application's point total will be compared to other applications' point totals to help determine a ranking of proposals. No minimum amount of points is necessary for funding and no set amount of points guarantees funding. However, applications which have a higher point total are more likely to receive funding than those with lower totals. In addition, because the loan program is a competitive process, rankings may not reflect final funding recommendations made by the Landmark Preservation Commission.

**Points**    **Criteria**

**(1 - 10)**    **1. Foster Rehabilitation of Resource**

**Guideline:** Applicants will be judged on how strong the effort to return resource to its historic appearance and how well proper and professional preservation techniques will be applied.

**(1 - 10)**    **2. Demonstrate Preservation Necessity or Threat**

**Guideline:** A project that demonstrates a strong need for funding because of an existing or future action or condition that may adversely affect or alter the existing special architectural or historic interest in the property will receive extra consideration for funding. The degree of threat will be based upon the negative effects of an existing or future action or condition that may diminish the integrity of the property's location, design, setting, materials, workmanship, feeling or association.

- Have alterations significantly diminished the structure's appearance?
- Does the structure need any significant repair due to neglect?
- Are there adverse physical, visual, audible or atmospheric conditions that would adversely affect the structure or its setting?
- Would adopted and approved plans, policies, regulations or programs significantly diminish the livability, economic viability, or integrity of the structure?
- Would other conditions or threats that are special or particular to the structure significantly affect the character of the structure or its setting?

**(1 - 3)**    **3. Demonstrate Resource Significance**

**Guideline:** Proposals to rehabilitate structures with high resource significance will be given greater weight over those proposals with lower resource value.

- The resource proposed to be rehabilitated is of minor significance and/or a contributing building in an historic district.
- The resource is eligible for or listed as an individual designation and has moderate integrity.
- The resource is listed on the National Register and is exceptional; one-of-a-kind design features with high integrity.

**(1 - 3)**    **4. Amount of Leveraged Funds**

**Guideline:** Applications will be judged on the level of matching funds committed to the project.

- 100% - 200% match
- 201% - 300% match
- 301+ match