

DATE: November 3, 2009
STAFF: Timothy Wilder

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

12

SUBJECT

Second Reading of Ordinance No. 108, 2009, Amending Chapter 14 of the City Code Relating to the Landmark Rehabilitation Loan Program.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on October 20, 2009, amends the Landmark Rehabilitation Loan Program to increase the loan funding amounts from a maximum of \$5,000 to a maximum of \$7,500. It also removes provisions related to the application review schedule to allow for a more flexible, semi-annual competitive application review process.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - October 20, 2009.
(w/o original attachments)

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 17
 DATE: October 20, 2009
 STAFF: Timothy Wilder

SUBJECT

First Reading of Ordinance No. 108, 2009 Amending Chapter 14 of the City Code Relating to the Landmark Rehabilitation Loan Program.

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RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

The Landmark Preservation Commission recommended adoption of the Ordinance on September 23, 2009.

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FINANCIAL IMPACT

There is no financial impact from this Ordinance. The Landmark Rehabilitation Loan Program is funded through the General Fund as part of Budgeting for Outcomes.

EXECUTIVE SUMMARY

This Ordinance amends the Landmark Rehabilitation Loan Program to increase the loan funding amounts from a maximum of \$5,000 to a maximum of \$7,500. It also removes provisions related to the application review schedule to allow for a more flexible, semi-annual competitive application review process.

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BACKGROUND

The purpose of the Landmark Rehabilitation Loan Program is to encourage designation of historic properties and to provide assistance to owners in need of rehabilitation work to their structures. Loan funds can be used for exterior rehabilitation work meeting the Secretary of the Interior Standards for Rehabilitation. Loans are zero-interest and must be repaid upon sale of the property. Another goal of the program is to become self-sufficient with enough funds being repaid into the program to support new projects.

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The Landmark Rehabilitation Loan Program has provided over \$200,000 to qualified projects since 2000, leveraging over \$550,000 in private funds, for a ratio of nearly 2-1/2 private funds to public

funds. Forty-three projects have been completed. Typical projects include porch improvements, foundation repair, repair of siding and trim, restoration of windows, tuckpointing of chimneys, and re-roofing of homes with historically appropriate materials.

Staff recommends two changes to the Landmark Rehabilitation Loan Program. The first would increase the maximum loan amount to \$7,500. Currently, City Code limits the maximum loan amount to \$5,000. The reason for this change is to accommodate the rising costs of rehabilitation work and to provide more flexibility in the types of projects paid through the program. Porch restoration, which can cost well over \$15,000, is a common and very visible project funded by the City's historic loans. Not all projects will seek the maximum amount, and applicants would still be responsible for matching the loan funding amount. The increase will not change the annual budget allocation.

In addition, staff is recommending that the City Code be amended to remove a section dealing with application deadline and review dates. Staff is implementing a semi-annual application review process in 2010 to replace the annual process currently in place. This change is part of more comprehensive review procedures that will require applicants to begin work on their projects within six months of approval.

The issue that these changes address is the fact that many projects are slow to be completed or not completed at all. The completion rate of approved projects is only 77%. Many applicants do not start on their projects until well after they have received approval and some are forced to seek extensions to the one-year deadline. Others decide not to accept the loan award sometime after the approval. As a result, other rehabilitation projects that could have used the loan funding are delayed until the annual review cycle begins again.

As part of the powers granted to the City Manager for promulgating rules and regulations for the efficient administration of the program, staff will set up a semi-annual competitive funding process. The first cycle will occur as it does now (January – March). The second cycle will occur later in the year (early fall) depending on the availability of loan funds. This would allow greater flexibility in awarding qualified rehabilitation projects with unspent loan funds.

The Landmark Preservation Commission held a hearing on the recommended changes to the program on September 23, 2009. No public comments were received. The LPC recommended approval of the suggested changes with a 6-0 vote.

ATTACHMENTS

1. Landmark Preservation Commission minutes, September 23, 2009

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ORDINANCE NO. 108, 2009
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 14 OF THE CODE OF THE CITY
OF FORT COLLINS RELATING TO THE
LANDMARK REHABILITATION LOAN PROGRAM

WHEREAS, Chapter 14 of the City Code contains provisions pertaining to the Landmark Rehabilitation Loan program (the "Program"); and

WHEREAS, due to the rising cost of rehabilitation construction projects, City staff has recommended to the Council that the maximum loan amount for landmark rehabilitation loans be changed from \$5,000 to \$7,500; and

WHEREAS, staff has also proposed that the City Code be amended to repeal Section 14-84, which currently provides for an annual process for the administration of loans, since a semi-annual application review process is recommended for the year 2010 and beyond and Section 14-82 already authorizes the City Manager to promulgate rules for the efficient administration of the Program; and

WHEREAS, the Landmark Preservation Commission has recommended that the City Council approve the proposed changes; and

WHEREAS, the City Council has determined that the proposed changes are in the best interests of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

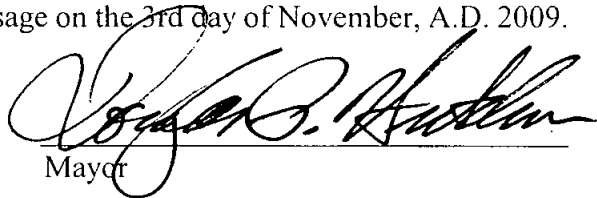
Section 1. That Section 14-82 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 14-82. Establishment; funding.

The City Manager shall administer the program for awarding zero-interest loans for the rehabilitation of Fort Collins landmark structures and/or contributing structures in Fort Collins landmark districts. The City Manager may promulgate procedural rules and regulations for the efficient administration of the program. No such loan shall exceed the sum of seven thousand five hundred dollars (\$7,500.) unless the City Council, by ordinance or resolution, authorizes a larger loan. All loans shall be funded solely from those funds held by the City for financial support of the program in the General Fund, and all loans shall be expressly contingent upon the availability of sufficient funds to support the loan. Loan recipients shall, as a condition of obtaining the loan, agree to repay the loan in full upon sale or transfer of the property. All loan repayments shall be returned to the landmark rehabilitation loan program.

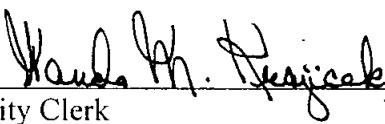
Section 2. That Section 14-84 of the Code of the City of Fort Collins is hereby deleted in its entirety:

Introduced, considered favorably on first reading, and ordered published this 20th day of October, A.D. 2009, and to be presented for final passage on the 3rd day of November, A.D. 2009.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading on the 3rd day of November, A.D. 2009.

Mayor

ATTEST:

City Clerk