

DATE: June 4, 2013
STAFF: Laurie Kadrich
Timothy Wilder

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

7

SUBJECT

Second Reading of Ordinance No. 069, 2013, Appropriating Prior Year Reserves in the Keep Fort Collins Great Fund to Support the Landmark Rehabilitation Loan Program for 2013.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on May 21, 2013, is a request for an appropriation of \$33,000 to support the City's Landmark Rehabilitation Loan Program from prior years in the Keep Fort Collins Great Fund (KFCG). The Landmark Rehabilitation Loan Program is a highly successful financial incentive program for encouraging the sustainable revitalization of historic residential and commercial structures. The Program was funded with Keep Fort Collins Great funds in the amount of \$25,000 each year for 2013-2014. However, this year alone, the popular program received over \$65,000 in loan funding requests from 12 applicants for 24 projects costing over \$206,200 in materials and services. Without Rehabilitation Loan Program funding, many of these projects could not proceed.

The request is for the use of KFCG Other Community Priority prior year reserves created by the 2012 unspent Design Assistance Program (DAP) budget. Both the Loan Program and the DAP were funded in 2012 from KFCG - Other Community Priorities. These two incentive programs are closely linked sub-programs of the Historic Preservation Program, and provide a continuum of financial support for qualified historic preservation projects.

STAFF RECOMMENDATION

Staff recommends adoption of this Ordinance on Second Reading.

ATTACHMENTS

1. First Reading Agenda Item Summary without attachments - May 21, 2013

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FORT COLLINS CITY COUNCIL

9

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EXECUTIVE SUMMARY

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BACKGROUND / DISCUSSION

Established by Council in 1994 with adoption of Chapter 14, Article V of the City Code, the Landmark Rehabilitation Loan Program is a critical financial program for encouraging the protection and revitalization of historic residential and commercial buildings, most notably within the downtown and Eastside/Westside Neighborhoods. Since 2000, \$258,000 from City funding has leveraged \$800,000 in private investment in 86 historic projects (**Attachment 2**).

The Rehabilitation Loan Program is a revolving loan program. Owners of historic landmarks can apply for up to \$7,500 in zero-interest loan funds for exterior rehabilitation of a property. Applicants receiving loans have up to two years to complete the rehabilitation work. Loans are repaid through the sale or transfer of the property. Upon repayment, the funds return to the program for further distribution. With a pool of over 10,000 potentially qualifying buildings and structures, the program is very popular with the public and the demand for funding grows every year. The City averages 8 applications a year. However, the backlog of historic rehabilitation projects appears to be growing as owners delayed home repair during the recession.

In 2013, the City received 12 applications for loan funding in the amount of \$66,000. Five applicants were awarded funding for a total of \$26,400. These projects included asbestos siding abatement, casement window repair, porch restoration, and repair of a carved stone cornice. There were seven applications in 2013 that could not be funded, and several projects received only partial funds. Critical projects without funding included repair of windows on a historic farmhouse for its reuse as the Larimer County Child Advocacy Center, storm window installation for energy efficiency, roof replacement with wood shingles, chimney repairs to address lost bricks and damaged mortar, and others. Some property owners may not be able to afford to complete the work without City assistance. If the work is not completed, the historic structures would continue to deteriorate and some elements might need to be replaced rather than repaired in the future.

The City's two historic preservation incentive programs, the Design Assistance Program (DAP) and the Landmark Rehabilitation Loan Program, are sub-programs within the overall Historic Preservation Program. They are closely linked and work along different areas of the historic rehabilitation continuum. The DAP provides funds for the work of qualified professionals on the design of historic rehabilitation projects, while the loan program provides matching funds for construction of qualified rehabilitation projects. The programs are synergistic and ensure that historic preservation work is of a high quality, providing long-term preservation of historic resources. Both programs were funded in 2012 through KFCG - Other Community Priorities: Historic Preservation Programming. In the future, the

programs will be set up to draw from a combined pot of historic preservation incentive funds so that funding can be directed to the area of greatest community need.

In 2012, the DAP did not have sufficient demand for expenditure of the entire KFCG allocation. Approximately \$33,000 was remaining for the DAP after 2012. Rather than request a reappropriation back into the DAP, staff is requesting that \$33,000 be funded from KCGG Other Community Priorities prior year reserves to be used to fund projects approved through the Landmark Rehabilitation Loan Program in 2013, which had demand that outstripped the available funding.

FINANCIAL / ECONOMIC IMPACTS

This Ordinance would result in a one-time cost of \$33,000 to the City. The request is for the appropriation of KFCG Other Community Priority prior year reserves created by the 2012 unspent DAP budget. The City funding would be matched by approximately \$50,000 by owners of the historic properties.

ENVIRONMENTAL IMPACTS

Community and social sustainability is promoted by enhancing the quality, livability and attractiveness of our core neighborhoods. Reuse of historic buildings and greening existing buildings are effective tools for environmental stewardship. Many older buildings are remarkably energy efficient because of their site sensitivity, quality of construction, and use of passive heating and cooling, and can be retrofitted to meet current green standards without compromising historic character.

STAFF RECOMMENDATION

Staff recommends adoption of this Ordinance on First Reading.

BOARD / COMMISSION RECOMMENDATION

The Landmark Preservation Commission voted 9-0 on April 10, 2013 to approve a request for additional funding to support the City's Landmark Rehabilitation Loan Program for 2013.

ATTACHMENTS

1. Landmark Preservation Commission Minutes, April 10, 2013
2. Landmark Rehabilitation Loan Brochure
3. Landmark Rehabilitation Loan Program Funding Statistics

COPY

ORDINANCE NO. 069, 2013
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE KEEP FORT COLLINS
GREAT FUND TO SUPPORT THE LANDMARK REHABILITATION
LOAN PROGRAM FOR 2013

WHEREAS, the Landmark Rehabilitation Loan Program (the “Landmark Program”) was established in 1994 and is a critical financial program for encouraging the protection and revitalization of historic residential and commercial structures; and

WHEREAS, the Landmark Program provides financial assistance to complete construction rehabilitation work such as asbestos siding abatement, casement window repair, porch restoration, roof and chimney repairs, and repair of carved stone cornice; and

WHEREAS, rehabilitation loans provided to property owners are paid back to the City at the time of the sale or transfer of the benefitted property, and those funds are returned to the Landmark Program for further distribution; and

WHEREAS, the Landmark Program is closely linked with the other historic preservation incentive sub-program, the Design Assistance Program or “DAP”, that provides funding assistance in the design of historic rehabilitation projects; and

WHEREAS, both sub-programs were funded in 2012 under the Keep Fort Collins Great - Other Community Priorities fund (the “KFCG”) and are funded in 2013 and 2014 by KFCG; and

WHEREAS, there is a backlog of historic rehabilitation projects proposed and the Landmark Program does not have sufficient funds to meet the application requests for funding assistance in 2013; and

WHEREAS, the DAP had approximately \$33,000 in unutilized funding available after 2012 that went back into KFCG Other Community Priorities reserves without being appropriated; and

WHEREAS, the one-time request for KFCG Other Community Priorities reserves of \$33,000 would be used in 2013 to fund projects approved through the Landmark Program and would be matched by approximately \$50,000 by owners of the benefitted historic properties; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated for expenditure from reserves in the Keep Fort Collins

Great Fund the sum of THIRTY THREE THOUSAND DOLLARS (\$33,000) to support the City's Landmark Rehabilitation Loan Program for 2013.

Introduced, considered favorably on first reading, and ordered published this 21st day of May, A.D. 2013, and to be presented for final passage on the 4th day of June, A.D. 2013.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 4th day of June, A.D. 2013.

Mayor

ATTEST:

City Clerk