



## Landmark Rehabilitation Zero-Interest Loan Program Policies and Procedures



Rev. November, 2020

*Cover Photo: Before (top) and after (bottom) photos of 126 S. Whitcomb, showing rehabilitation and restoration partially funded by the Landmark Loan Program*

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## Property Eligibility

### 1.1 Local Landmark Designation

The subject structure must have local landmark designation or be a contributing structure in a local Fort Collins landmark district. Properties in the process of becoming landmarks may also apply; however, the Landmark designation must be finalized prior to the allocation of any funds. State or National Register historic properties are not eligible unless they are also locally designated landmarks.

## Project Eligibility

### 2.1 Exterior Rehabilitation

Loan funds may be spent only for exterior rehabilitation of the structure. Exterior rehabilitation may include the following elements:

Work Element	Type of Work
trim, including cornices, soffits, fascias	Rehabilitation with historic materials.
doors	Restoration of historic doors, or replacement of non-historic doors with more appropriate replacements. Materials and hardware must attempt to replicate the original as much as possible.
porches	Restoration, or reconstruction if materials and design are consistent with the historic character as documented through research, photographs, and comparable buildings.
foundations	Repointing, stabilization, etc.
gutters	Installation or replacement. Half-round gutters are required if this style was typical of the historic building.
chimneys	Typically, chimney tuck pointing. A liner may be included; however, work on interior of structure will not be funded.
roofs	Repair, in-kind replacement, or restoration of original roofs with approved historic materials. Work may include tear off of existing roof, new decking, gypsum underlayment for wood roofs if required to meet fire code, flashing, and other structural and non-structural elements related to the new roof.
siding	Masonry work, wood siding repair, stucco repair, and other siding restoration/replacement with historic materials. Any cleaning must be

	done with sensitive methods.
steps and stairways	Rehabilitation or reconstruction (if consistent with historic character or documentation)
windows (including storm windows)	Repair of existing windows and energy-performance improvements that meet the <i>Secretary of the Interior's Standards</i> . Work may include new or replacement screens and storm windows that are compatible with the design and materials of the historic windows. May also fund replacement windows where historic units are missing or too deteriorated to repair and replacements are in-kind.
storefronts	Rehabilitation to historic character as documented through research.
non-historic elements	Work may include demolition of non-historic elements leading to rehabilitation work.
all elements - painting	Preparation and painting of exterior elements is an allowable expenditure; however, painting is considered a maintenance item and will be approved only if part of a larger project (i.e., painting alone will not be funded).
other exterior elements	Approved by City staff and/or the Landmark Preservation Commission.

2.2 Match Requirement

Loan recipients agree to provide matching funds in an amount equal to or greater than the amount of the loan received.

2.3 Match Elements

Matching funds may be comprised of owner-provided funds for any project elements that are eligible for Landmark Rehab Loan Funding (see table above in 2.1).

2.4 Elements Not Eligible

Neither loan monies nor matching funds may be spent for the following:

- Installation of, or rehabilitation of, signage, interior rehabilitation, or decorations
- Building additions and other new construction on the property, except where required by building and safety code.
- The addition of architectural or decorative elements which were not part of the historic building.
- Roof replacement with a non-original roof material (documentation of original roof material may be necessary).

- Routine or periodic maintenance (such as cleaning, routine painting, minor repairs, general periodic upkeep, redecorating or any purely cosmetic change that is not a necessary component of an overall rehabilitation project, or that does not enhance the property's character). *Note: Specialized cleaning, such as approved methods of cleaning masonry, can be funded.*
- 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. *Note: the City's Design Assistance Program may be able to assist with some of these costs.*
- Acquisition costs.
- Landscaping and site work - Excavation, grading, paving, landscaping or site work such as improvements to paths or fences unless the landscaping or site feature is part of the landmark designation, or the site work is necessary to correct harmful drainage problems.
- Repairs to non-historic building components or structures on the property, including approved additions made to a historic property after the property was officially designated.
- Reimbursement for labor provided by owner/self.
- Interior improvements and repairs such as drywall, non-load bearing interior walls, etc.
- Signs, unless designated as historic landmarks or character-defining features of a landmark.
- Non-historic skylights and solar tubes (unless they require repair to stop leaking or are being removed)
- Solar equipment.
- Security features.
- Construction work begun prior to loan funding approval.

## 2.5 Secretary of the Interior Standards and Guidelines

All work must comply with the standards and/or guidelines of the City as adopted, including the [U.S. Secretary of the Interior's Standards & Guidelines for the Treatment of Historic Properties.](#)

## 2.6 No Work Prior to Loan Approval

Loan funding may not be used for work initiated or completed prior to the loan award.

## 2.7 Approved Elements Only

Funds received as a result of this application will be expended solely on described projects, and must be completed within established timelines.

## 2.8 Ongoing Maintenance

The owner agrees to maintain the property consistent with Municipal Code [Chapter 14-7](#). A record of neglect on the part of the property owner applying for a loan may be a factor in future loan reviews.

## **Project Review**

### 3.1 Complete Applications

Applications must be complete and accurate at the time of submittal or risk disqualification. All project contact information, property information, description of work elements, cost estimates, photographs of each element, and work bids must be included in the application. City staff reserves the right to work with the owner to refine applications to better suit the loan program, to request additional information, and to reject incomplete applications if additional details are not provided in a timely fashion.

### 3.2 Application Submittals

**All applicants must contact staff ([preservation@fcgov.com](mailto:preservation@fcgov.com) or 970-416-4250) prior to turning in an application to discuss the potential application and any related requirements.** Applications may be submitted at any time to be considered for the next round of loan allocations. Deadlines for specific loan years will be announced in the fall/early winter preceding the loan application due dates.

All applications must successfully clear the landmark design review process outlined in Municipal Code Chapter 14, Article IV. Before proceeding to design review, staff may require the use of the City's Design Assistance Program, which provides up to \$2,000 for the development of plans that meet the City's adopted standards for rehabilitation of historic properties.

If, and only if, requests for funding exceed the annual loan program budget, the applications will be scored and ranked by degree of urgency, quality of the proposed work, and the amount of matching funds provided by the applicant, following the Landmark Preservation Commission's design review approval process for all of the proposed projects.

If the sum total of qualified requests for funding that are received before the annual deadline do not exceed the annual loan program budget, loans will be awarded to all qualified applicants that receive a Certificate of Appropriateness for the proposed work and otherwise meet the requirements of the loan program.

### 3.3 Design Review

Staff or the Landmark Preservation Commission (for larger projects) will conduct design review for all loan-related projects. As with all proposed work to designated local landmarks, the design review process may result in approval, approval with conditions, or denial of the proposed project based on its compliance with the rehabilitation

standards for landmark properties. If the project is approved with conditions, the project application may need to be modified to reflect the necessary changes. If the project is denied, then the project may be resubmitted if changes are made to the applications. Applications resubmitted in a timely fashion may still qualify for a loan, if funding allows.

Once approved for a loan, recipients must notify staff immediately if any project details change, including the contractor. All changes are subject to staff approval and, if extensive, may require another round of design review to maintain the loan offer.

### 3.4 Loan Closings

The decision on loan approval and closing will be made by a qualified Loan Originator in accordance with Federal and State law. The City has contracted with Impact Development Fund to perform loan origination and loan servicing tasks.

### 3.5 Building Permit Required

Loan recipients must receive the appropriate building permits before construction work is started. Approval of loans and issuance of a Certificate of Appropriateness does not constitute permission for a project to begin work.

### 3.6 Rehabilitation Sign

Loan recipients agree to place a sign, provided by the City, on the property stating that the rehabilitation of the property was funded in part by the City's Landmark Rehabilitation Loan Program for the duration of the rehabilitation work. Historic Preservation Services will provide the sign.

### 3.7 Initiation within Six Months

Applicants must begin work within six months of notification of award. Staff reserves the right to rescind loan awards for projects that do not begin within six months and have not received approval for an extension (see section 3.9), in order to make the funding available to another applicant.

### 3.8 Completion within One Year

Projects must be completed within one year, except as provided in section 3.9.

### 3.9 One Year Extension

Applicants may apply to preservation staff to extend the project completion deadline for up to one year upon showing good cause as to why the project cannot be completed within one year of the loan approval date.

### 3.10 Documentation and Inspection by Loan Administration Staff



Upon completion of work and prior to loan closing, applicants must present finalized invoices from contractors and a full set of photos of completed work to Historic Preservation staff. Completed loan projects are also required to be inspected by City loan administration staff (in addition to any required inspections by City building officials) to verify completion, quality of the work, that the work was completed as approved by the LPC, and that the work is consistent with the *Secretary of the Interior's Standards*.

## **Loan Structure**

### 4.1 Maximum Loan Amount

The annual loan maximum is \$7,500 per property. The City Council may authorize a larger loan by ordinance or resolution in special circumstances.

### 4.2 Loan Disbursement

Loan recipients will receive disbursement of loan funds after all work has been completed and approved, receipts documenting the costs of the work have been submitted to the City, and physical inspection has been completed by the City.

### 4.3 Loan Security

Loans are secured with a Deed of Trust (also referred to as a lien). The Deed must be signed and notarized and filed with the Larimer County Clerk and Recorder.

### 4.4 Interest Rate

No interest rate is charged on loans associated with this program.

### 4.5 Monthly Payments

No monthly payments are required on loans.

### 4.6 Maturity Date/Loan Payoff

All loans on a property are due upon sale or transfer of property or upon refinancing if the property owner receives cash or equity. Transfer can occur within a family unit without incurring repayment. If owners wish to pay off existing zero-interest loan(s) prior to sale or transfer of the property, they may do so in a single, lump sum payment.

### 4.7 Subordination

Upon request, the City may agree to subordinate loans as a result of refinancing.

## **ROLES AND RESPONSIBILITIES**

### **Property Owner/Applicant**

1. Determine project need and obtain detailed project bids from qualified contractors.
2. Identify project matching funds you are required to provide.
3. Contact City staff before the loan application deadline at 970-416-4250 to review potential project and obtain information about the upcoming review process.
4. If staff believes your project would benefit from the Design Assistance Program (DAP), complete the DAP application and consultation process before finalizing the loan application.
5. Prepare loan application and submit to City by the application deadline.
6. Provide additional information and revise application as requested by City staff.
7. Attend and answer questions from the Landmark Preservation Commission at a hearing on project design review.
8. If project is funded, make any required changes to the application and resubmit for final loan approval.
9. Obtain building permit.
10. Authorize contractor to begin the work.
11. After completion of all project elements, submit final invoices to City staff and request an inspection.
12. Attend loan closing meeting at partner agency, Impact Development Fund, and sign and notarization of Deed of Trust.
13. Receive loan disbursement.

### **City Staff**

1. Identify available funds for upcoming year.
2. Prepare announcements for loan availability.
3. Consult with applicants on navigating the Design Assistance Program.
4. Receive loan applications and review for completeness.
5. Contact loan applicants to confirm receipt of applications.
6. Schedule Landmark Preservation Commission design review hearing.
7. Prepare and present design review and loan applications to Landmark Preservation Commission.
8. Provide applications and information on project eligibility and not-to-exceed funding amounts to Impact Development Fund loan officer.
9. Inspect property at project completion and review project invoices.
10. Submit verification of project completion to loan officer.
11. Upon notification from loan officer of document completion, authorize payment to property owner.
12. Receive loan payments in full upon sale of property and deposit in loan revenue account.

### **Loan Officer**

1. Receive applications from City staff.
2. Review application information and request any additional information from City staff.

3. Approve loan application and award loan amounts conditioned upon project meeting requirements of the loan program.
4. Provide a notice to proceed to applicants.
5. Prepare Deed of Trust and any other appropriate legal paperwork.
6. Collect applicant signatures.
7. Hold all legal documents and provide copies to City staff.
8. Submit bill(s) for service.
9. Submit Deed of Trust to County Clerk for recordation.
10. Process requests for subordination and loan payoff and complete all documentation and recordation.

## ELIGIBILITY CHECKLIST

- My property is a local historic landmark or within a local landmark district (Old Town District, Sheely Drive District, Whitcomb Street 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 building, e.g., windows, doors, porch, siding, roof, steps, and/or foundation work. Certain types of interior work are allowed as part of the cash match.
  
- I am seeking no more than \$7,500 in loan funding through this program.
  
- I have already secured a match for my requested loan funding at least 50% of the total eligible project cost to be used as a match to the loan.
  
- I can begin work on my project in six months, and complete my project within a year.

## STAFF CONTACTS

Loan applications are available at <https://www.fcgov.com/historicpreservation/landmark-rehabilitation.php>

Please submit all applications to:

City of Fort Collins, Historic Preservation Services

Office: 281 N. College Avenue (Maple and N. College)

Mailing: P.O. Box 580, Fort Collins, CO 80522

Phone: (970) 416-4250

Fax: (970) 224-6111

Email: [preservation@fcgov.com](mailto:preservation@fcgov.com)

Website: [www.fcgov.com/historicpreservation](http://www.fcgov.com/historicpreservation)

## ATTACHMENTS

### Appendix A: HISTORY OF THE LOAN PROGRAM

The City of Fort Collins established the landmark rehabilitation grant program in 1994 based on a recommendation of the *Historic Resources Preservation Program Plan* (1994). The Plan recommended

. . . that the City provide direct financial support to owners of historic properties who wish to pursue local landmark designation . . . In addition to the State program, a local grant program for rehabilitation is recommended. The local program would be simple to apply for and easy to administer. A local grant program provides the City with the opportunity to show financial support for preservation and enlisting the community's support . . . the program will also create local jobs and increase property values, resulting in generating additional income to the City.

The Plan also described a Revolving Loan Fund option, which was not implemented at the time but has since replaced the original grant program.

The purposes of the program was to encourage the local landmark designation of historic properties in Fort Collins and to help ensure that appropriate historic materials, methods, and techniques are used in the rehabilitation of structures.

The program provided grants for qualified historic preservation projects from 1995 – 2000. The City's General Fund was the primary source of funds and the annual allocation ranged from \$20,000 to \$25,000 per year. The successful program awarded 51 grants for a total of \$141,104 in City funds, matched by over \$2 million in non-City funds.

In 2000, the program was converted to a zero-interest revolving loan program to enhance the long-term funding of the program. Chapter 14, Article 5 of the Fort Collins Municipal Code (see Appendix A) authorizes the City Manager to establish and administer the Landmark Rehabilitation Loan Program (LRLP). The City Manager has delegated the power of administration to the Director of Community Development and Neighborhood Services. Section 14-82 authorizes the promulgation of procedural rules and regulations for the efficient administration of the program. Section 14-83 provides criteria for the award of loan funds.

The annual budget allocation has varied depending on the economy and the City's financial stability. A Budgeting for Outcomes (BFO) Offer has been provided each year to continue the loan awards for eligible local property owners. In addition, the program has generated approximately \$80,000 in loan repayments as of 2018, which is used as funds to provide new loans for qualified applicants.

## Appendix B: City Code – Article V. Landmark Rehabilitation Loan Program

### Sec. 14-81. - Purpose.

The City Council hereby establishes a landmark rehabilitation loan program and finds that the program promotes a valid public purpose of increasing the quality, exterior integrity and permanence of the City's stock of historic landmarks for the enjoyment and benefit of present and future generations of citizens of the City by making available to the owners of designated Fort Collins landmarks or contributing structures in designated Fort Collins landmark districts a source of funding for exterior rehabilitation of such structures. (Ord. No. 137, 2000, § 2, 10-17-00; Ord. No. 186, 2002, § 34, 1-7-03; Ord. No. [057, 2014](#), § 5, 4-15-14)

### 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. (Ord. No. 137, 2000, § 2, 10-17-00; Ord. No. 186, 2002, § 35, 1-7-03; Ord. No. 108, 2009, § 1, 11-3-2009; Ord. No. [057, 2014](#), § 5, 4-15-14)

### Sec. 14-83. - Criteria.

No landmark rehabilitation loan shall be awarded unless the following criteria and requirements have been met:

- (1) The subject structure must have been designated as a Fort Collins landmark or be a contributing structure in a Fort Collins landmark district pursuant to this Chapter before the landmark rehabilitation loan can be awarded.
- (2) All loan recipients shall provide matching funds in an amount equal to or greater than the amount of the loan.
- (3) The matching funds provided by the loan recipient may be utilized only for exterior rehabilitation of the subject property and/or the stabilization of the structure, the rehabilitation of electrical, heating or plumbing systems, and/or the rehabilitation or installation of fire sprinkling systems in commercial structures. Neither the loan nor the matching funds shall be used for the installation of or rehabilitation of signage or interior rehabilitation or decoration, nor the installation of building additions or the addition of architectural or decorative elements which are not part of the landmarked structure.
- (4) Loan funds may be expended only for rehabilitation of the exterior of a designated Fort Collins landmark structure or contributing structure in a Fort Collins landmark district. No interior improvements may be purchased utilizing City loan funds.
- (5) The standards and/or guidelines of the City and the United States Secretary of the Interior for the preservation, reconstruction, restoration or rehabilitation of historic resources then in effect shall serve as the standards by which all rehabilitation work must be performed.
- (6) No loan funds shall be disbursed until after the recipient has completed the work, the work has been physically inspected by the City and has been approved by the City Manager and the loan recipient has documented the cost of the work by submitting to the City copies of all bills,

invoices, work orders and/or such other documentation showing, to the satisfaction of the City, that the funds requested are reasonable and are supported by actual proof of expense.

- (7) Loan recipients shall, as a condition of the loan, prominently place a sign upon the property being rehabilitated stating that such rehabilitation has been funded, in part, through the City's landmark rehabilitation loan program.
- (8) Property owners who have previously received loans shall be eligible for subsequent loans.
- (9) All rehabilitation work shall be completed within one (1) year from the date upon which the loan was awarded; provided, however, that upon application and a showing of good cause as to why the project cannot be timely completed, the Commission may authorize an extension of up to one (1) additional year for completion of the work.
- (10) No landmark rehabilitation loan shall be awarded unless the Commission (or in cases of loans exceeding the maximum amounts established herein, the City Council) first determines that:
  - a. The applicant has demonstrated an effort to return the structure to its original appearance;
  - b. It is in the best interests of the public welfare that the structure proposed to be rehabilitated be preserved for future generations; and
  - c. The amount proposed to be spent on exterior rehabilitation is reasonable under the circumstances.
- (11) No landmark rehabilitation loan shall be awarded unless the loan recipient has, as a condition of obtaining the loan, agreed to repay the loan in full upon sale or transfer of the property.

(Ord. No. 137, 2000, § 2, 10-17-00; Ord. No. 186, 2002, §§ 36—39, 1-7-03; Ord. No. [057, 2014](#), § 5, 4-15-14)

#### Footnotes:

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**Editor's note**— Ord. No. 108, § 2, 2009, adopted Nov. 3, 2009, repealed § 14-84 in its entirety.



## Appendix C: 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.