

# **HISTORIC PRESERVATION BOND FUND**

## **EXTERIOR REHABILITATION**

### **PROGRAM GUIDE**

**City of Phoenix Publication  
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**Historic Preservation Office**

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## BACKGROUND

On Oct. 3, 1989, the voters of Phoenix approved up to \$15 million in general obligation bonds to fund the Historic Preservation Program. Up to \$10 million of the bond proceeds was set aside specifically to preserve, protect and enhance historic properties. The city established the Exterior Rehabilitation Program in fiscal year 1990-91 to further these goals.

On March 13, 2001, the voters of the city of Phoenix again expressed their support for historic preservation by approving another \$14.2 million in bonds to fund the Historic Preservation Program. On March 14, 2006, Phoenix citizens authorized funding for the Historic Preservation Program for the third time in the amount of \$13.1 million. This funding provided additional monies to continue the Exterior Rehabilitation Program.

## EXTERIOR REHABILITATION PROGRAM SUMMARY

The Phoenix Historic Preservation Office (HPO) provides exterior rehabilitation assistance to encourage residents to maintain, repair and sensitively rehabilitate historic homes and to encourage reinvestment and revitalization in inner-city historic neighborhoods.

The program makes monies available to private property owners to complete exterior rehabilitation, repair or restoration work on historic homes continuing to serve a residential purpose. Owners of historic homes that are either in city-designated historic districts or are individually listed on the Phoenix Historic Property Register are eligible to apply.

The program reimburses owners on a 50/50 matching basis for pre-approved work. The minimum city share for reimbursement is \$2,000 and the maximum funding amount is \$10,000. In exchange for receiving financial assistance, the property owner agrees to sell the city a conservation easement to protect the historic character of the property's exteriors. The decision to fund work is based upon a competitive application process as described in this Program Guide.

## PROGRAM GOALS AND PRINCIPLES

The goals of the Exterior Rehabilitation Program are to promote the preservation of historic buildings through proper rehabilitation and to revitalize historic neighborhoods. A successful rehabilitation is one that retains, preserves and protects as much of the original historic fabric as possible. It also preserves the original character-defining architectural elements of a particular building.

To retain such fabric, it is preferable to repair rather than replace significant architectural elements and historic materials. Repair of such elements and materials begins with the least degree of intervention possible, such as splicing or patching. Piecing-in or upgrading also can be undertaken if done according to recognized preservation techniques. For instance, window replacement is frequently considered by historic homeowners. Window replacement is not likely to be funded when the problem with the historic windows is peeling paint or loose joinery and the windows can be repaired. Only when the level of deterioration or damage of materials precludes repair is in-kind replacement acceptable. Similarly, it is preferable to use wood shingles instead of laminated dimensional asphalt shingles when wood shingles were the original roofing material and are currently on the roof.

When an exterior architectural feature is missing, its reconstruction is recommended as the preferred course of action. The feature may be accurately reproduced if adequate historic pictorial documentation and/or physical evidence exists.

For further guidance in the long-term preservation of your historic property, review the “Design Guidelines for Residential Maintenance and Rehabilitation” in *Historic Homes of Phoenix: An Architectural & Preservation Guide*. Copies of this publication are available for sale from the HPO. Additional information for planning building improvements is available from the HPO.

**ELIGIBILITY FOR PARTICIPATION**

Persons, corporations or associations holding fee simple title of any historic (contributing or potentially contributing) property that is listed in the Phoenix Historic Property Register (PHPR), either within a historic district or individually listed, are eligible to apply. A current copy of the PHPR may be obtained from the HPO or on the website at [phoenix.gov/historic](http://phoenix.gov/historic).

To be considered for funding, applicants must own the property to be rehabilitated or provide legal authorization from the owner for the applicant to apply for funding, and evidence of the owner’s willingness to execute all legal agreements. Applicants also may be asked to provide evidence of demonstrated site control through a lease, signed purchase contract, or option to purchase.

**ELIGIBLE IMPROVEMENTS**

All work performed must be **exterior** work that results in the preservation of building exteriors on the subject property (interior work may be eligible **only if** necessary to stabilize or structurally support the building’s historic exteriors). The HPO staff has the responsibility for determining the eligibility of all items included in the proposed Scope of Work.

Eligible **exterior** work includes:

- Exterior wall repairs
- Exterior window and doors repairs
- Roof repairs/replacement
- Foundation repairs
- Masonry/Stucco repairs
- Porch and step rehabilitation
- Cornices and parapet repairs
- Historic outbuildings/carport rehabilitation
- Reversal of previous inappropriate alterations
- Reconstruction of original architectural elements based on documentation/evidence
- Demolition of non-historic additions
- Structural rehabilitation/reinforcement
- Re-painting (if a component of an eligible repair)

**Engineering costs (soft costs)** are eligible if related directly to eligible work and if costs are incurred within two (2) years prior to and/or one (1) year after application date and amount to no more than 20 percent of the total funding request. These costs can include historic structure reports and construction drawings and specifications. Any requests for structural stabilization (such as foundation repairs) **must** be accompanied by a structural engineer’s report documenting the need and recommendations for work.

If you are requesting funds for paint removal, the application must demonstrate not only that the house was originally unpainted, but also that you are using the HPO’s *Paint Removal Methods for Masonry and Masonry Cleaning Procedures* (when applicable). Any masonry repointing projects also must demonstrate that the project plans to follow the HPO’s *Masonry Repointing Procedures and Masonry Cleaning Procedures* (when applicable). The procedures are available online at [phoenix.gov/historic/hpcontact.html](http://phoenix.gov/historic/hpcontact.html).

We also strongly encourage applicants to obtain the assistance of a preservation architect to determine the composition of new mortar and the project scope.

Please note that additions to buildings or new construction are **not** eligible. Additionally, landscaping, fencing and other types of site improvements will not be considered for funding. Requests for simulated divided light replacement windows will not be considered for funding. Painting is not an eligible activity on its own. However, if painting is a component of an eligible repair, the cost or value of painting can be included in the project Scope of Work.

## PROJECT SELECTION CRITERIA

The city's decision to approve an application will be based on the merits of the proposed project, the quality of the application and the support the project provides to the advancement of the city's Historic Preservation goals.

### Priority will be given to applications that:

- Clearly demonstrate adherence to the city's *Preservation Philosophy* (see Historic Preservation design guidelines handout).
- Clearly addresses the most critical physical needs of the building.
- Substantially improve the visual appearance of a historic neighborhood, district streetscape or an individually significant property.
- Contribute to neighborhood revitalization impacts with funded work that:
  - will make a non-contributing property a contributor to a historic district; or
  - is in a district where fewer than 5 percent of properties have received exterior rehabilitation grants; or
  - is in a district with housing values at 115 percent or less of the median value for Maricopa County.
- Demonstrate proper rehabilitation techniques based on historic preservation principles (such as following the city's technical bulletins on masonry repointing, paint removal, steel or wood window repairs, and wood shingle roof replacements).
- Completely address each question on the application and include detailed bids for all proposed work items.

Applications are competitively scored based on several criteria. The main objective of the grant program is to preserve the historic character and, wherever possible, the historic fabric of the house. If the grant proposal is in keeping with the *Preservation Philosophy* (see *Preservation Philosophy* handout) and addresses the physical needs of the building, the application will score high.

Additional points are given to applications that will have a positive impact on neighborhood revitalization. Districts that will receive revitalization impact points include Brentwood, Campus Vista, Coronado, Country Club Park, Earll Place, East Evergreen, Encanto Vista, Fairview Place, Garfield, Idylwilde Park, La Hacienda, Los Olivos, Medlock Place, North Encanto, North Garfield, Oakland, Phoenix Homesteads, Pierson Place, Roosevelt Park, Villa Verde, Windsor Square, Woodland, Woodlea and Yaple Park.

Points also are awarded to applications that reflect appropriate research on the architectural elements and history of the house. In addition, the significance of the house, overall quality of the application and adequacy of construction bids play a role in the overall application score. Finally, property owners who either attended an Exterior Rehabilitation Grant Workshop within two years prior to application submittal or who meet individually with the grant manager prior to a grant deadline (see specified time period in the application) are eligible for an extra point. Property owners must note on the application the date they attended the workshop or met with the grant manager.

## FUNDING LIMITS

The Exterior Rehabilitation Program will provide 50 percent of project costs up to \$10,000 per property for the purchase of a Conservation Easement. The minimum purchase price for a Conservation Easement that the city will consider is \$2,000 (i.e. the scope of work must total at least \$4,000 with the property owner funding \$2,000 and the city funding \$2,000). The property owner must agree to utilize the proceeds of the sale for performing exterior rehabilitation of the structure in accordance with the HPO's design standards.

## PROJECT BUDGET

Applicants need to establish project budgets from estimates provided by licensed contractors, or qualified subcontractors, craftsmen or vendors. Two (2) sets of independent cost estimates are required for each proposed item. *The estimates must be for the same work or material, i.e. both bids are for a wood shingle roof or both bids are for window repair.* The submission can include itemized estimates from general contractors or a series of estimates from specific contractors or subcontractors, such as painters, masons, carpenters, roofers, or a combination thereof. The city uses these estimates to determine the dollar value for the city's purchase of a Deed of Conservation Easement on the property (see page 6 for more information on the Conservation Easement).

The property owner is encouraged to select the contractor or tradesperson who is best qualified to perform the Scope of Work. The chosen contractors/tradespersons must have experience with the work item they will complete. Selection of the lowest price is *not* required. All cost estimates shall be listed on letterhead from the contractor/tradespersons, and include contact information (address, phone number, e-mail) and contractor license number, if applicable. It is the responsibility of the property owner to ensure that the selected contractor has the necessary licenses to perform the requested work.

The exact bid amount (materials and labor) for each work item must be listed in the application. If applicable, all "soft costs" for each work item (i.e. overhead, profit, taxes and fees) should be listed separately (soft costs may need to be broken out from the overall estimate if you only select some work items from a particular bid) and must be shown on bid. Building permit fees, if applicable, are the sole responsibility of the owner and cannot be included in the project cost.

## COMMENCEMENT AND DEADLINES FOR EXTERIOR REHABILITATION WORK

Any construction or rehabilitation that is included in the project Scope of Work, whether funded by the city or the property owner, must not commence prior to the date the city informs the applicant that all agreements are signed and finalized (see contractual requirements below). All exterior work also will require a Certificate of Appropriateness or Certificate of No Effect from the HPO in advance of commencing work.

After the Exterior Rehabilitation Program Agreement is signed, projects must begin within 90 days. Applicants must complete the project within **one year** from the date the Exterior Rehabilitation Program Agreement is signed.

## APPLICATION APPROVAL PROCESS

Funds for the Exterior Rehabilitation Program are awarded through a competitive application process. Given the annual limits of available Historic Preservation Bond Funds, not all applications submitted will be funded. Consequently, it is important to carefully plan proposed exterior rehabilitation projects and to prepare applications in accordance with the instructions in this Program Guide. Further information can be obtained by contacting the HPO.

Before completing an application, please read the Program Guide thoroughly. Questions concerning the program, including the appropriateness of a project or the eligibility of proposed work, should be directed to the HPO before completing an application.

**The application deadline for the 2009-2010 fiscal year is March 3, 2010 by 5 p.m.**

**Once applications are received, the following process applies:**

1. HPO staff reviews applications to ensure that all necessary information and attachments are included. During this review, HPO staff identifies any omissions or discrepancies in the applications and communicates this information to the applicant as soon as possible. *Please note that the city will not accept incomplete applications.*
2. HPO staff contacts the property owner to schedule a site inspection of the property after the complete application is submitted. At the inspection HPO staff evaluates the property condition and the proposed work items to ensure that critical needs are being addressed and that the proposed work meets the city's *Preservation Philosophy* and Exterior Rehabilitation Program goals.
3. HPO staff then forwards applications and site inspection results to the Exterior Rehabilitation Application Evaluation Panel, an ad hoc advisory panel with experience in historic preservation and rehabilitation work. This panel will review the information and make recommendations to the HPO. In preparing recommendations for the HPO's consideration, the evaluation panel reviews and ranks applications in accordance with the project selection criteria.
4. The panel recommendations are forwarded to the Historic Preservation Commission (HPC) for consideration. The HPC reviews and acts on the recommendations.
5. Those applications recommended for funding by the HPC are forwarded to the City Council for final approval. Notification is given by telephone or mail as soon as the final approval is granted by the City Council.
6. *Before work may begin on a project approved for funding, the HPO staff requests Consent Agreements from all lienholders, which must be signed and returned to the HPO. Applicants also must sign the Exterior Rehabilitation Program Agreement and Deed of Conservation Easement and obtain a Certificate of No Effect or Certificate of Appropriateness before beginning work.*

Projects not recommended for funding by the HPC receive written notification. Applicants who want to resubmit for consideration in a future grant round are encouraged to meet with HPO staff before submittal to receive advice for improving their application.

## PROJECT SIGN

Upon commencement of a project, HPO staff will provide owners with a sign to post acknowledging Historic Preservation Bond Fund assistance. This sign must remain prominently located on the property until the project is completed. Program participants are asked to notify the HPO if signs are damaged or lost.

## CONTRACTUAL REQUIREMENTS

Once an application under the Exterior Rehabilitation Program is approved, the property owner is required to execute the following documents with the city:

- A. **Exterior Rehabilitation Program Agreement:** This agreement sets forth the terms and conditions for participation in the program. Some of the key terms include project initiation and completion requirements, required city approvals and disbursement of funds.
- B. **Deed of Conservation Easement:** Funds allocated from the Historic Preservation Bond Fund for a specific rehabilitation project occur through the city's purchase of a Conservation Easement for that property. Under the easement agreement, a property owner grants to the city a non-possessory interest in the exteriors, exterior views, and site of the subject property. Furthermore, the owner agrees to maintain the exterior, as rehabilitated, and allows HPO staff to review any proposed exterior alterations. The Conservation Easement term is 15 years for project funding up to \$10,000. The Conservation Easement is recorded on the property's title. The property is not eligible for any additional grants from the city HPO until the easement expires.
- C. **Title Report:** The city of Phoenix will secure a current title report prior to executing the Program Agreement to identify any interest that may affect the city's enforcement of the easement. Applicants also may be required to supply additional information relating to liens and encumbrances on the property.
- D. **Consent Agreement:** The property owner must obtain a duly acknowledged Consent Agreement from all lienholders or other persons or entities with an interest in the subject structure consenting to a Deed of Conservation Easement. To expedite this process, the applicant must submit the contact party name and loan number for each lienholder and is encouraged to seek consent in principle as early in the application process as possible.
- E. **Insurance Certificate:** The property owner must provide a certificate of liability insurance that certifies the subject property is insured for an amount acceptable to the city. Prior to any disbursement of funds, the city *must* be named as a loss payee on the insurance policy.
- F. **Business, Organization or Association Information:** Applications from organizations, businesses and associations must include the following additional materials:
  - Articles of incorporation, together with a notarized, certified corporate resolution of the board of directors of the applicant authorizing the corporation to grant the exterior Conservation Easement and directing the appropriate corporate officer to act on behalf of the corporation in submitting the application and executing the document creating the exterior Conservation Easement.
  - A certificate of partnership and complete partnership agreement, if the applicant is a partnership.
  - Bylaws and other organizational documents if the applicant is an association.

## DISBURSEMENT OF FUNDS

An applicant may request reimbursement of funds once the project is completed or an agreed upon component of the project is completed. Disbursement for a project totaling \$10,000 or less may receive up to three payments by the city. These payments must relate to clearly defined, discrete components of the work.

To receive payment, applicants must submit bills to the city describing and totaling work completed. HPO staff will inspect and approve all completed rehabilitation work prior to reimbursement. Any work requiring a building permit must also be inspected and approved by the city's Development Services Department. The city determines whether a project is complete and meets the city Historic Preservation Design Guidelines. The city is not obligated to pay the property owner if it determines that the project has not been completed in accordance with the city's program guidelines and Historic Preservation Design Guidelines.

*For more information, or a copy of this publication in an alternate format, contact the Historic Preservation Office at 602-261-8699/voice or 602-534-5500/city TTY relay.*



**City of Phoenix**

