HISTORIC PRESERVATION BOND FUND

APPLICATION DEADLINE:
April 8, 2015
4:00 p.m.

Submit applications to:
City of Phoenix
Historic Preservation Office
200 W. Washington St., 3rd floor
Phoenix, AZ 85003
(602) 261-8699

For more information or for a copy of this publication in an alternate format, contact Planning & Development at 602-262-7811 voice or TTY use 7-1-1.
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BACKGROUND
On October 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 were 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 money available to private property owners to complete exterior rehabilitation, repair or restoration work on historic homes or residential structures 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 $5,000 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 & 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 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 but is not likely to be funded if the problem with the windows is merely peeling paint or missing hardware. Only when the level of deterioration or damage precludes repair, or the historic windows are missing entirely, 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 or physical evidence exists.

For further guidance, please review the General Design Guidelines for Historic Properties, available online at https://www.phoenix.gov/pddsite/Documents/pdd_hp_pdf_00035.pdf. You may also refer to the section titled “Design Guidelines for Residential Maintenance and Rehabilitation” in Historic Homes of Phoenix: An Architectural & Preservation Guide, which is available for sale from the HPO at Phoenix City Hall and on the HPO.
website at https://www.phoenix.gov/pdd/historic/order-historic-preservation-books. Additional information for planning building improvements is available from the HPO.

ELIGIBILITY FOR PARTICIPATION

Persons, corporations or associations holding fee simple title of any contributing or potentially contributing historic residential property that is listed on the Phoenix Historic Property Register (PHPR), either individually or within a historic district, are eligible to apply. The property does not need to be owner-occupied. A current copy of the PHPR is available on the HPO website at https://www.phoenix.gov/pddsite/Pages/historicmapsphoenixreg.aspx.

Employees of the city of Phoenix Planning & Development Department and their families are not eligible for Exterior Rehabilitation Program funds.

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, along with 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:

- Roof repairs/replacement
- Foundation repairs
- Structural rehabilitation/reinforcement
- Exterior wall repairs
- Masonry/stucco repairs
- Exterior window and doors repairs
- Porch and step rehabilitation
- Cornice and parapet repairs
- Re-painting (if a part of an eligible repair)
- Historic garage, guest house or carport rehabilitation
- Reversal of previous inappropriate alterations
- Demolition of non-historic additions
- Reconstruction of original architectural elements based on documentation/evidence

Engineering costs (soft costs) are eligible if related directly to eligible work and if the 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 that the house was historically unpainted and that you are using the HPO’s Paint Removal Methods and Masonry Cleaning Procedures (when applicable). Projects involving masonry repointing must also demonstrate that the proposed work follows the HPO’s Masonry Repointing Procedures and Masonry Cleaning Procedures (when applicable). The procedures are available online at https://www.phoenix.gov/pdd/historic/historicinfo/historic-preservation-documents-publications.
To improve energy efficiency in historic windows, clear window films that reduce solar heat gain are eligible for funding as part of a comprehensive window repair project. Also, retrofitting historic window sash with thicker single-pane glass, hard coat low-E glass, or dual-pane glass is eligible for funding as part of a comprehensive window repair project, provided that the historic exterior window profile is maintained (except for cases where there is specialty glass such as leaded or stained glass). All window films and replacement glass must be clear with a visible transmittance rating (VTR) or visible light transmittance (VLT) of .65 or higher. As a general rule, full window replacements will only be considered for funding if the originals are severely damaged, deteriorated or missing. The proposed replacement windows match the originals in size, material, operating type and configuration (with true divided lights, if applicable), based on documentation or other physical evidence.

Please note that additions to buildings, new construction and work on additions that are not historic are not eligible. Additionally, landscaping, fencing and other types of site improvements 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

Applications are competitively scored based on several criteria. The main objective of the grant program is to preserve the historic character and historic fabric of the house. If the grant proposal is in keeping with the Preservation Philosophy (available online at https://www.phoenix.gov/pddsite/Documents/pdd_hp_pdf_00071.pdf) and addresses the most critical physical needs of the building, the application will score higher.

Priority will be given to applications that:

- Clearly demonstrate adherence to the city's Preservation Philosophy and General Design Guidelines for Historic Properties.
- Clearly address 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 2.5 percent of properties have received exterior rehabilitation grants; or
  - is in a district with housing values at 65 percent or less of the median full cash 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.
- Encourage the investment of private funds to rehabilitate, improve, maintain, preserve, protect and enhance deteriorated historic properties.

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.
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 $5,000 (i.e., the scope of work must total at least $10,000, with the property owner funding $5,000 and the city funding $5,000). The property owner must agree to utilize the proceeds of the grant for performing exterior rehabilitation on the structure in accordance with the HPO’s design standards.

PROJECT BUDGET & CONTRACTORS
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 (e.g., 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 7 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 and 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.

A project may not be funded if a chosen contractor has a documented history of failing to meet deadlines or standards for city-funded work. If a property owner decides to change to a different contractor from the one chosen in an application approved for funding, HPO staff must approve the change or the grant funds may be revoked.

The exact bid amount (materials and labor) for each work item must be listed in the application. Building permit fees, if applicable, are the sole responsibility of the owner and cannot be included in the project cost. You must indicate which contractor you wish to hire when completing your application. Without this information, your application may be considered incomplete.

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, should NOT commence prior to the date the city informs the applicant that all agreements are signed and finalized (see Contractual Requirements on page 7). A Certificate of Appropriateness or Certificate of No Effect from the HPO will also be required before grant-funded work may begin.

Applicants are expected to obtain Consent Agreements from all lienholders and to sign the Program Agreement and Deed of Conservation Easement within one hundred twenty (120) days of project approval by the Historic Preservation Commission. Failure to sign or provide the necessary documents within the required time frame
may result in forfeiture of the grant. After the Exterior Rehabilitation Program Agreement is signed, project work is expected to commence within 90 days and must be completed within one year from the date of commencement.

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 may be funded. Consequently, it is important to plan projects carefully 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.

ALL materials must be received by 4:00 p.m. on April 8, 2015. This includes the original and five complete copies (a total of six (6) sets) of the application. Incomplete submittals (including not providing the required number of copies) may not be considered for funding.

Once applications are received, the following process applies:

1. HPO staff determines if applications are complete and forwards eligible applications 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.

2. The panel recommendations are forwarded to the Historic Preservation Commission (HPC) for consideration. The HPC reviews and acts on the recommendations.

3. Before work may begin on a project approved for funding, the HPO staff requires receipt of an executed Consent Agreement from all lienholders. Applicants must also sign and abide by the terms of the Deed of Conservation Easement and the Exterior Rehabilitation Program Agreement and obtain a Certificate of No Effect or Certificate of Appropriateness before beginning work.

Projects not recommended for funding by the HPC receive will written notification. Applicants who wish 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 on the property acknowledging Historic Preservation Bond Fund assistance. This sign should remain 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 following documents are required:

A. **Title Report:** The city of Phoenix will secure a current title report prior to executing the Program Agreement to identify any mortgages or liens that may affect the city’s ability to record the easement.
B. 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.

C. 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.

D. 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 terms of the easement, the 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 property in a good and sound state of repair and allows HPO staff to review any proposed exterior alterations. The Conservation Easement is recorded on the property's title and lasts for a period of 15 years. In the event the property is sold during that time, any new owners will be required to adhere to the terms of the easement. The property is not eligible for any additional grants from the city HPO until the easement expires.

E. Insurance Certificate: The property owner must provide a certificate of homeowner's 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.

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. Payments will only be made for 50% of the total submitted on the Payment Request Form that have invoices associated with them. For example, if a request is submitted with a bill for $2,500, the reimbursement check would be $1,250.

To receive payment, applicants must submit invoices to the city describing and totaling work completed. HPO staff will inspect and approve all completed rehabilitation work prior to reimbursement. Once requested, it may take up to 10 days for the inspection to take place, depending on staff availability. If the completed work meets city of Phoenix standards, staff will authorize payment. If the work is deemed unacceptable, staff will require that it be corrected before payment is authorized. The property owner will need to contact staff for a follow-up inspection once the corrective work is complete. Any work requiring a building permit must also be inspected and approved by the city's Development division before payment is authorized. HPO staff 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 staff determines that the project has not been completed in accordance with the city's program guidelines and Historic Preservation Design Guidelines.