



LOW-INCOME HISTORIC HOUSING REHABILITATION PROGRAM GUIDE

In 1989, the city established a rehabilitation assistance program for historic housing occupied by persons with limited incomes. The Low Income Historic Housing Rehabilitation Program uses the historic preservation bond fund to pay for eligible exterior rehabilitation work. The city will pay 70 percent for eligible work when the 30 percent match is paid by a non-profit organization and for projects where matching funds are provided by an outside agency or other city assistance program. The city pays 80 percent for eligible exterior rehabilitation work on projects where individual grant recipients do not receive funding assistance from a non-profit organization or another agency or assistance program to cover the remaining costs. Both owner-occupied and rental properties are eligible. The minimum request the city will consider is \$3,000 and the maximum funding amount is \$30,000. In exchange for receiving funding assistance, owners convey a Conservation Easement to the city for a period of 15 to 20 years. The easement term is 15 years for up to \$10,000 and 20 years if the grant exceeds \$10,000.

PROGRAM GOALS AND PRINCIPLES

The purpose of this program is to encourage the repair and rehabilitation of historic residential properties providing low- to moderate-income housing opportunities. The program funds critical building maintenance, structural stabilization work, repair and restoration of historic features, reconstruction of missing historic details and/or in-kind replacement of deteriorated historic elements.

ELIGIBILITY CRITERIA

1. Eligible applicants include:
 - Property owners with an income at or below 80 percent of median household income for Maricopa County in accordance with U.S Department of Housing and Urban Development (HUD) guidelines;
 - Property owners who are pre-qualified for an 80 percent or below median area household income-qualifying housing program administered by the city based on their own household income or their tenants' household income;
 - Non-profit agencies, community development corporations or community organizations with 501(c)(3) status (in accordance with Internal Revenue Service regulations) whose primary mission is to provide low-to moderate-income housing opportunities, encourage reinvestment in older neighborhoods and/or promote neighborhood stabilization and improvement.
2. To be considered for funding, applicants must own the property to be rehabilitated OR possess legal authorization from the owner to apply for funding. Applicants must provide evidence of demonstrated site control through a lease, purchase contract or option to purchase. All owners must be willing to execute required legal documents. Non-profit organizations may receive funding for more than one project at a time.
3. All properties must be listed on the Phoenix Historic Property Register, and contribute or potentially contribute (once project is completed) to the historic character of the property, site or district as determined by the Historic Preservation Office.
4. All proposed projects must follow the city's Preservation Philosophy and conform to the City of Phoenix General Design Guidelines for Historic Properties and the Secretary of the Interior's Standards for the Treatment of Historic Properties as determined by the Historic Preservation Office.

ELIGIBLE IMPROVEMENTS

The program's main focus is to assist projects that substantially rehabilitate historic residential building exteriors. The Historic Preservation Office determines the eligibility of all proposed work items. Eligible **exterior work** can include:

- Exterior wall repairs
- Roof repairs/replacement*
- Foundation repairs (must obtain a structural engineer's report)
- Masonry/Stucco repairs
- Porch and step rehabilitation

- Cornices and parapet repairs
- Americans with Disabilities Act (ADA) alterations
- Exterior window and doors repairs
- Historic outbuildings/carport rehabilitation
- Reversal of previous inappropriate alterations
- Reconstruction of original architectural elements based on documentation/evidence
- Demolition of non-historic additions
- Re-painting may be eligible if a component of an eligible repair*
- Structural rehabilitation/reinforcement (must obtain a structural engineer's report)

Pre-agreement/architectural & engineering costs (soft costs) may qualify if they are directly related 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. This can include historic structure reports, site planning, feasibility studies, design work, and construction drawings and specifications. A structural engineer's report describing the problem(s) and recommendations for repair is required for all proposed structural work.

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 sashes 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 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. Typically, full **window replacements will only be considered for funding if the originals are missing** and 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.

Ineligible work includes new construction, additions, acquisitions, landscaping, fencing, site improvements and interior work. Interior work *may* be eligible only if necessary to stabilize or structurally support the building's historic exteriors. Re-painting is not eligible unless it is related to HP grant-funded work (i.e. if the original windows are repaired with HP funds then repainting the repaired windows is covered).

The program does not fund work that is necessitated by loss or damages that are covered by your homeowner's insurance policy. Building permit fees are not eligible.

*Asphalt shingle and built-up roofs and exterior re-painting work are not eligible for funding where these items are funded by another city assistance program or non-profit as part of their scope of work.

APPLICATION PROCEDURES

Applications are accepted on an ongoing basis throughout the year, although there may be a waiting list for the program. An applicant will be placed on the waiting list at the time they income qualify for the program. All applicants are required to attend a pre-application meeting with the Historic Preservation Office staff. For funding consideration, all applicants must submit:

- Income qualifying documentation. This is the first step in the low income grant qualification process. The city's Neighborhood Services Dept. (NSD) performs all income qualification evaluations for the LHHR Program and an applicant must complete the NSD pre-screening and application process and submit the required supporting income documentation to NSD;
- A completed LHHR grant application form, including a detailed scope of work and budget, with at least two (2) bids by licensed contractors for all work items. Bids are not required if you are also receiving funds from another city assistance program that will bid the same project work;
- For individually funded projects, 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.

- A project may not be funded if a chosen contractor has a documented history of failing to meet deadlines or standards for city 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.
- Architectural plans, elevations and/or specifications as needed to depict rehabilitation work and photos of the property showing the building(s) and areas in need of repair or rehabilitation;
- Structural engineer's report with plans and specifications for any proposed foundation or other structural rehabilitation/reinforcement work;
- A description and evidence of funding sources to complete the project.

EVALUATION CRITERIA

The Historic Preservation Office staff is solely responsible for determining the eligibility of items included in a project's Scope of Work, and for approving projects subject to funding limits approved by City Council. Applications will be approved provided that owner evidences that program timelines can be met; project budget is adequate; project has sufficient funding to be completed; owner meets all other program requirements; and project fully meets the city's *General Design Guidelines for Historic Properties* and the Secretary of the Interior's *Standards for the Treatment of Historic Properties* as determined by the Historic Preservation Office.

FUNDING CONDITIONS

1. If the property currently is owned by a 501(c)(3), the organization must agree to sell or execute a long-term lease to a qualifying family or individual(s) within six (6) months of project completion. Qualifying families are those with incomes 80 percent or below the median, calculated in accordance with established U.S. Department of Housing and Urban Development (HUD) guidelines. For multi-family units, at least 51 percent of all current or proposed tenants must meet above income requirements.
2. Applicant must provide evidence that sufficient funds are available to complete the project at the time of project application. The applicant must notify the city if funding circumstances change after application for funding is made.
3. Owner must agree to execute required legal agreements with the city as a condition of funding. These include a Program Agreement and Deed of Conservation Easement. The Program Agreement outlines how the work will be carried out and how the grant funds will be paid. The Conservation Easement describes the owner's obligations to maintain the exterior, as rehabilitated, and allows Historic Preservation Office Staff to review any future proposed exterior alterations on the property during the life of the Easement. A Consent Agreement must be signed by all lienholders on the property prior to entering into a Program Agreement.
4. The owner must agree to execute a Conservation Easement as specified above based on the following levels of historic preservation bond funding: \$10,000 or less - 15 years; \$10,001 to \$30,000 - 20 years.
5. Funds are only available for projects that have not commenced prior to the execution of all required agreements. An exception is made for eligible architectural/engineering studies.
6. The program will only pay for completed components of a project that the Historic Preservation Office certifies meets city historic preservation standards. No advance funding of work is allowed. The city is not obligated to reimburse the property owner for completed work if the city determines that the project has not been completed in accordance with the city's program guidelines and design standards.
7. Applicant is required to obtain a Certificate of Appropriateness or Certificate of No Effect from the Historic Preservation Office and any required building permits prior to initiating work.
8. The owners must sign all required agreements with the city within 90 days of project approval, subsequently commence work within 90 days after executing agreements and complete the project within two (2) years after work begins or risk losing the funding.
9. The city will take no responsibility or assume any liability for an organization's ability to buy or sell property contingent upon the receipt of Historic Preservation Bond Funds.
10. Before the city may reimburse for project work the applicant must register online as a city vendor, which requires submission of a W-9 form and Affidavit of Lawful Presence. The city must also be listed as a loss payee on the property owner's homeowner's insurance policy before reimbursement is made.

To learn more about the Low-Income Historic Housing Rehabilitation Program, contact the Phoenix Historic Preservation Office, 200 W. Washington St., 3rd Floor, Phoenix, AZ 85003 or call 602-261-8699.