



INTER-OFFICE COMMUNICATION

DATE: April 29, 2013
TO: Community Development Committee
FROM: Fred Murry, Assistant City Manager
SUBJECT: Gap Financing for Historical Structures/Residential Units

This is a referral from Commissioner Hinson-Rawls regarding creating a Historical Structure Gap Financing Program for property owners who are interested in maintaining, preserving and living in historical homes in the City of Gainesville.

The issue was referred to the Community Development Committee because of concerns and issues relating to historical homes in the Fifth Avenue and Pleasant Street Area in need of repairs. In some cases the home owners may not have the necessary funds to make minor repairs to the homes and may seek private or public funds for the renovation work. The renovation of historical homes can be costly, and owners must meet the city's requirements for renovation and other property maintenance within historic districts. The City's CDBG/Home program defines minor rehab as assistance to eligible homeowners to improve the health and safety conditions in the unit to preserve the home. The funding is capped at \$15,000 per structure.

CDBG/Home housing funds require the owner to live in the structure prior to seeking funds for the program and secondly, they must be on the City's waiting List to participate in the program. The CDBG/Home program is not open to all homeowners due to eligibility criteria.

State funds for historical preservation have suffered during the downturn in the economy, so there are little or no funds in the Historical Preservation Program for this type of project. There are tax incentives for these types of renovation which the City has participated in the past.

If the building is considered dangerous under the city's code of ordinances, the city will require the owner to take the necessary steps to make the necessary repairs to bring the property into compliance with city ordinances or demolish the building. In some cases, the City will demolish the home and lien the property for the cost of the work. There are

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some homes and commercial buildings that are designated as a historic structure or could be potentially considered historic that are not located within designated historic districts.

There are no public funds allocated in FY 2013 or the proposed budget for FY 2014 for the Historical Preservation Program for historical homes or commercial buildings. If the City Commission wishes to develop a Historical Preservation Incentive Program, the City Commission would have to request the City Manager to include funding in the FY 2014 budget for a Historical Preservation Program.

Providing gap financing is new approach to preserving and maintaining historical homes within our community. Staff would suggest that a pilot program be established to see if the community would participate in the program. We currently provide up to \$15,000 for minor rehab under the CDBG/Home program. Staff suggests a similar program be established for the Historical Preservation Program. The program guidelines and eligibility criteria would be submitted to the City Commission for review and approval. A one-year pilot program would allow the City Commission the opportunity to evaluate the program to determine whether the program should continue in the future. The recommended funding level for the pilot program would be \$30,000. The program would be administered by staff and any exterior work would have to be reviewed by the Historic Preservation Board and meet the Historical Preservation Guidelines.