City of Louisville
COLORADO • SINCE 1878

Historic Preservation Commission
Staff Report
August 18, 2025

ITEM: Grant Program Update – Proposed Approach and Next Steps

STAFF: Jess Daniels, AICP, Senior Planner

PURPOSE

The purpose of this item is to:

1. Summarize previous research, analysis, HPC feedback, and community engagement conducted in Q1-Q2 2024;
2. Provide an overview of the Historic Preservation Fund (HPF) revenue and grant expenditures between 2019-2025;
3. Present the proposed updated grant limits informed by construction inflation data and current cost estimates; and
4. Present income, equity considerations, and process improvement updates to the grant program.

BACKGROUND

The Historic Preservation Fund (HPF) was established in 2008. The purpose of the fund is to incentivize landmarking in the City and supplement eligible preservation, restoration, and rehabilitation costs with matching grant funds. The HPF is not intended to pay for all costs but support the financial viability of historic preservation projects as an incentive to landmark a property. A 1/8% sales tax funds the HPF, which will sunset on December 31, 2028. Staff anticipate requesting to extend the HPF tax of 1/8% by ballot in 2026 to continue the program into 2029 and beyond.

The last comprehensive update to the HPF was in 2019. Resolution No 17, Series 2019 (Attachment No. 1) incorporated all previous resolutions for the program into one. This update also aimed to simplify the grant program from previous years by creating one bucket for restoration, rehabilitation, and preservation projects.

In 2024, the maximum historic structural assessment (HSA) grant amounts (non-matching) were increased from $4,500 to $7,500 for residential structures and from $9,000 to $10,000 for commercial structures. Resolution No 17, Series 2019 also includes maximum grant limits for residential structures, new residential additions, commercial structures, new commercial additions, and conservation easements; these have not been increased since 2019. “Extraordinary circumstances” are often requested above the established grant limit amounts, signaling that these may be misaligned with current market and economic conditions; including inflation, rising material, construction, labor, and professional design costs.

A key project in the 2024/2025 Historic Preservation Commission (HPC) Work Plan is providing a recommendation to Council to update the HPF grant program. After several years of implementation of the resolution, there are opportunities to clarify the criteria and establish new grant limits that are intended to better reflect current costs, be impactful in achieving historic preservation goals, and assist with financial viability of projects over the next 3 years before the sales tax sunsets at the end of 2028. Should the sales tax be extended, these updates can also lay the foundation for the grant program to continue.

Past Work Completed

The analysis and staff recommendations incorporate the research, scoping and analysis already conducted by the HPC and staff in Q1-Q2 2024, which was paused due to a staff vacancy. This work includes:

HPC Retreat
In January 2024, staff and the HPC discussed ideas and goals for the new grant program at a retreat. Two goals for the update emerged from these discussions, which inform the overarching discussion and analysis in this report:

1. Increase grant amounts to reflect rising costs; and
2. Explore adding new grants for specific project types and applicant groups.

Discussion Direction
The May 20, 2024, staff report (Attachment No. 2) followed up on HPC feedback received at the retreat and included an estimation of remaining landmarks in the City, explored the creation of additional grant types, and provided a sample of some past residential and commercial projects costs. Points of discussion from the May 20, 2024 HPC meeting for further evaluation included:

- A potential financial cap per property on total individual commercial grant requests;
- More clarity for the extraordinary circumstances definition;
- Incorporating income and equity considerations into the update; and
- Request for additional analysis of inflation data.

Community Engagement
An HPC subcommittee prepared a *User Experience Survey* (Attachment No. 3) to gather input on the existing grant program in 2024. Key topics and themes gathered from seven (7) residents and architect interviews are summarized in Attachment No. 4.

ANALYSIS

Summary and Use of HPF Fund - 2019-2025

The current unincumbered HPF fund balance is approximately $3.5M. Annual revenues and expenditures since 2019 are summarized in Table 1.

Table 1: Annual HPF Revenue (1/8% Sales Tax)							
Year	2019	2020	2021	2022	2023	2024	2025
Revenue	$788,635	$708,524	$849,494	$922,807	$986,119	$1,053,168	$1,013,119*
Grant Expenditures	$117,753	$355,346	$316,108	$44,286	$731,600	$203,917	$177,130**
Annual % Change	n/a	-11%	17%	8%	6%	6%	tbd

*Adjusted budget; actual tbd
**Current to August 2025

The balance of the HPF has been historically larger than requests received. 2022 experienced the lowest fund requests, followed by the highest utilization of the fund in 2023. 2024 requests were low in comparison to the sales tax generated for the fund that year, prompting discussions to increase community outreach while also updating the program.

Extraordinary circumstances are often requested as projects exceed the grant limits established by Resolution No 17, Series 2019. Extraordinary circumstances are broadly defined, discretionary and have no financial limitations other than what is available in the HPF, potentially making current and future requests for grant funds difficult for the HPC and Council to prioritize. This also provides flexibility to consider unanticipated conditions when awarding grant funds.

While the fund has been historically underutilized, staff anticipate reviewing multiple commercial grant applications for more than $1 million in 2025/2026. Council also approved a contract on August 5, 2025, to purchase 1016 Main for $1,400,000 using HPF funds with the intent of landmarking the property, reselling it, and reimbursing the HPF. This reflects how large-scale projects may have the potential to significantly deplete the fund.

Resolution No 17 has a provision (Section 3) that requires that the HPC recommend an annual contingency reserve to City Council for incentives and property acquisitions for exigent circumstances.

Current Cost Estimates

1. *Landmarked Residential Project Costs*

Between 2019-2025, the City received 9 requests for small residential preservation and restoration grants (under $40,000 grant match). During the same time, the City received 10 requests for large (more than $40,000) projects. Total project costs, adjusted for 5% inflation, and matching grants awarded during this time are summarized in Table 4.

Table 4: Summary of Large ($40k+) Residential Project Costs – 2019-2025					
Year	**Address**	**Total Project Cost**	**Inflation Adjusted**	**Approved Matching Grant**	**Inflation Adjusted Matching Grant**
2024	917 Rex	$342,892.00	$360,036	$162,446	$170,568
2024	1209 Main	$94,250	$98,963	$40,000	$42,000
2023	1045 Front	$359,550	$377,527	$132,000	$145,530
2021	701 Grant	$248,094	$301,560	$124,047	$150,780
2020/ 21	833 Jefferson	$208,000	$265,466	Grant: $55,00 Loan: $100,000	$70,195 $127,628
2020	925 Jefferson	$273,375	$347,627	$98,000	$125,075
2020	1200 Jefferson	n/a	n/a	$61, 600	$78,618
2020	633 La Farge/1201 Lincoln	$313,700	$400,370	$85,000	$108,484
2020	908 Rex	$96,000	$122,523	$76,775	$97,986
2020	1016 Grant	$86,000	$109,760	$55,000	$70,195
Total Average			$251,373	$95,137	$107,914

A cursory analysis of line-item costs from past residential projects (not adjusted for inflation) and 2025 market research (Attachment No. 5) are summarized in Table 5 and 6.

Table 5: Typical Costs for Residential Structural/Code Work	
Item	**Cost Range**
Foundation/Crawlspace	$9,000 - $60,000
Grading and Drainage	$3,000 - $15000
Framing	$8000 - $14,000
Roofing	$5000 – $13,000
Floor Structure	$4000 - $35,000
Mechanical systems	$35,000 – 50,000
Electrical systems	$25,000 – $35,000
Plumbing systems	$15,000 – $40,000
Total Range of Cost Estimates	**$104,000 - $262,000**

Table 6: Typical Costs for Residential Restoration/Rehabilitation Work	
Items	**Cost Range**
Windows	$4000- $30,000
Doors	$8000 – 10,000
Soffit & Fascia, Ornamentation, Trim	$18,000 -$22,5000
Exterior Masonry	$3500 - $10,000
Exterior Appendages	$1500- $12,000
Siding	$1600 - $7300
Hazardous Materials Abatement	$12,000 - $40,000
Total Range of Cost Estimates	**$48,600 - $131,800**

The data shows that the average/typical residential project costs between 2019-2025 (adjusted for 5% inflation) are between $251,373 - $271,00. This average includes 4 projects above $350,000. The line-item cost estimates demonstrate that a project could range from $104,000 - $262,000 for structural work and between $48,600 - $131,800 for restoration/rehabilitation work; for a total residential project cost of $152,600 – $393,000.

2. *Commercial Project Costs*

Commercial costs are difficult to estimate due to variables in building size, condition, and economic intent. Table 7 summarizes recent costs and grant requests/awards for commercial projects and corresponding approved HPF funds.

Table 7: Summary of Commercial Project Costs – HPF Fund - 2011-2025					
Year	**Address/Description**	**Total Project Cost**	**Inflation adjusted**	**Approved Matching Grant**	**Inflation Adjusted Matching Grant**
2020	809 Main (Tebo Properties) *25 ft preservation & new 2 story addition*	$2,070,000	$2,656,552	$492,083	$628,036
2011	817 Main (Rex Theater/Waterloo) *Conservation easement (façade)*	$162,500	$312,738	$62,573	$123,890
Total Average		$1,116250	$1,484,645	$277,328	$375,963

Other recent commercial project cost examples are summarized in Table 8. These projects did not landmark or request HPF grant funds, but are shown to demonstrate potential commercial project costs.

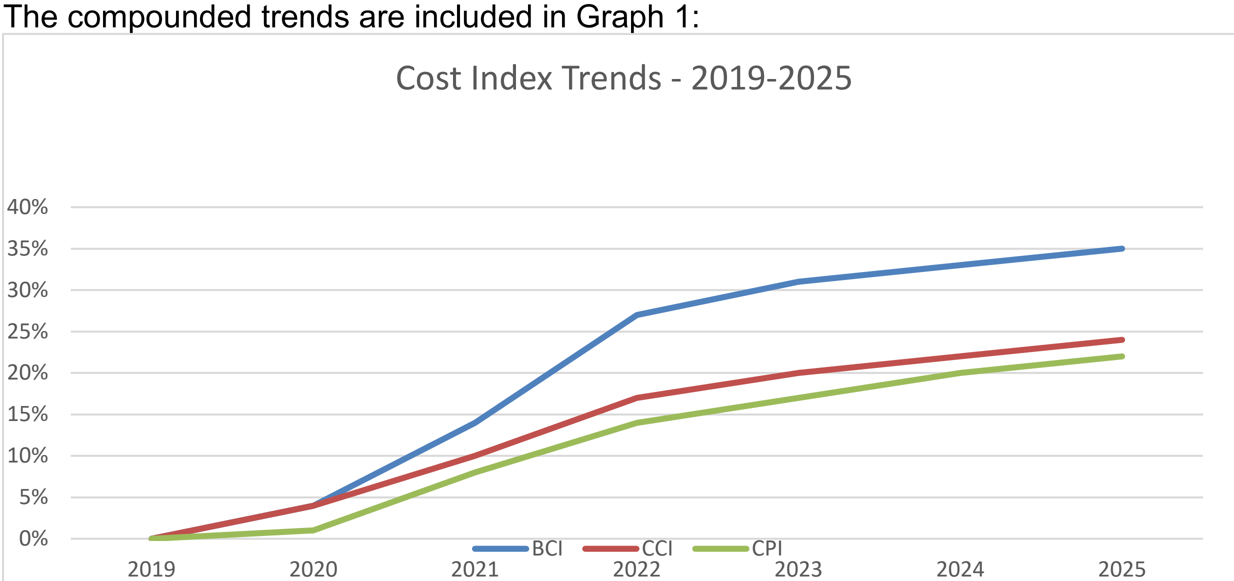
Table 8: Summary of Recent Commercial Project Costs (Not Landmarked)					
Year	**Address/Description**	**Total Project Cost**	**Inflation adjusted**	**Approved Matching Grant**	**Inflation Adjusted Matching Grant**
2025	947 Pine (Birdie Bar) *728 sq ft addition*	$1,417,000	$1,417,000	N/A	N/A
2019	824 South Street (South Street Market) *New 2 story build*	$3,401,245	$4,557,993	N/A	N/A
Total Average		$1,701,331	$2,987,497	N/A	N/A

Inflation Calculations

Cost indexes from Engineering News Record and US Bureau of Labor Statistics were used to calculate construction and consumer inflation data between 2019-June 2025 to inform proposed grant amount updates. The selected indexes include the following:

- Construction Cost Index (CCI): Includes the 20-city average of common labor rates and material costs (steel, cement, and lumber). The CCI can be used where labor costs are a high proportion of total costs.
- Building Cost Index (BCI): Includes the 20-city average of skilled labor (i.e. bricklayers, carpenters and structural ironworkers rates), plus material costs (structural steel shapes cement and lumber). The BCI is more applicable for structures.
- Consumer Price Index (CPI): Represents changes in the prices of all goods and services purchased for consumption by urban households.

The compounded trends are included in Graph 1:



The average inflation per year between 2019- 2025 for each index is as follows:

- BCI: 5%
- CCI: 3%
- CPI: 3%

Methodology for Calculating Grant Increase Amounts

Based on the cost index analysis, an adjusted inflation rate of 5% was chosen to increase base amounts of all grant categories, exempting HSAs. This percentage reflects the inflation rate of the building cost index between 2019-2025, which is the most appropriate index for structures. Grant amounts were calculated through to 2026, and additional incentive increments of 5%, 10%, 15%, 20% were added for options (Attachment No. 6). The staff recommendation is for a 10% incentive, and these amounts are presented in Table 7 and 8.

RECOMMENDATION

The staff recommendations address HPC and community input while providing more predictability in the HPF. As previously noted, the HPF is not intended to pay for all costs but support the financial viability of historic preservation projects as an incentive to landmark a property.

Overall Grant Increases and Tiers

Using inflation and costs estimates, staff propose the new grant amounts in Table 7 for residential projects and Table 8 for commercial projects. These increases were calculated with an adjusted inflation of 5% applied to 2019 base amounts, and a 10% incentive was added.

Table 7: Proposed Residential Grant Amounts			
Type	**Proposed Amount**	**Existing Amount**	**Increase**
Residential Landmark Incentive	**$7,700**	*$5,000*	*$2,700*
Tier 1			
Residential (Matching)	**$62,000**	*$40,000*	*$22,000*
Additional Structural (Matching)	**$20,000**	*$0*	*$20,000*
New Construction (Matching)	**$23,000**	*$15,000*	*$8,000*
(Tier 1 Subtotal)	***$105,000***	*$55,000*	*$50,000*
Tier 2			
Extraordinary Circumstances Cap (Match)	**$22,300**	No limits	*Potentially less $ due to cap*
(Tier 2 Subtotal)	***$127,300***	*N/A*	*N/A*
Tier 3			
Exceptional Circumstances (Match)	Unlimited (pending criteria met)	*N/A*	*N/A*
Total Grant Funds Available Per Residential Property*	***$136,000 (plus unlimited exceptional circumstances under Tier 3)***	*$60,000 (plus unlimited extraordinary circumstances)*	*$52,700 (plus Tier 2 and Tier 3)*

*Total includes landmark incentive

Table 8: Proposed Commercial Grant Amounts			
Type	**Proposed Amount**	**Existing Amount**	**Increase**
Commercial Landmark Incentive	**$77,000**	*$50,000*	*$27, 000*
Tier 1			
Commercial (Match)	**$232,000**	$150,000	$82,000
New Commercial Construction (Match)	**$111,000**	$75,000	$36,000
Tier 1 Subtotal:	***$343,000***	*$225,000*	*$118,000*
Tier 2			
Extraordinary Circumstances Cap (Match)	**$80,000**	No limits	*Potentially less $ due to cap*
Tier 2 Subtotal:	***$500,000***	*N/A*	*N/A*
Tier 3			
Exceptional Circumstances (Match)	**Unlimited (pending criteria met)**	*N/A*	*N/A*
Total Grant Funds Available per Commercial Property*	**$500,000** ***(plus unlimited exceptional circumstances under Tier 3)***	*$275,000 (plus unlimited extraordinary circumstances)*	*$145,000 (plus Tier 2 and Tier 3)*
OR			
Conservation Easement	**$77,000**	*$50,000*	*$27, 000*

*Total includes landmark incentive

Tier 1: Base Funding

Under the Tiered approach, properties can access different levels of funding depending on project eligibility. All landmarked residential and commercial projects are eligible for consideration of Tier 1 base funding. Each residential project would be eligible for a maximum of $105, 000 in matching grant funds. Each commercial project would be eligible for a maximum of $343,000 in matching grant funds. If a project exceeds requests under Tier 1, additional funding could be considered under Tier 2, pending eligibility.

Tier 2: Extraordinary Circumstances

Tier 2 is for extraordinary circumstances, which maintains some aspects of the current program structure. The definition for extraordinary circumstances is proposed to be changed from Section 12.d.c. in Resolution No 17, Series 2019 to the following definition for both residential and commercial projects:

> *These grant limitations described above may be exceeded upon a showing of extraordinary circumstances that:*
>
> a) *Preserve, restore, and rehabilitate the integrity of historic architectural features and materials of the exterior of the building, including but not limited to historic windows, doors, siding, and other historic features, that without the fund, would be replaced by new materials; and/or,*
> b) *Vital structural work and building code compliance-related work that exceed Tier 1 grant amounts if identified in an approved HSA.*

In contrast to the current program, extraordinary circumstances are proposed to be capped at $22,300 for residential properties and $80,000 for commercial properties. The purpose of this is to maintain some flexibility for projects that go above Tier 1 baseline requests, while providing some predictability for the fund. Properties eligible for Tier 2 funding could receive a match of up to $127,300 for residential projects and $500,000 for commercial projects.

A match of up to $127,300 funds would represent a grant contribution equal to 32% of a total residential property project costing $393,000. For a commercial project, a match of up to $500,000 could represent a grant contribution of up to or 16% for a 3 million dollar commercial project, or up to 33% for a 1.5 million dollar commercial project.

Projects that exceed these requests for Tier 2 funding could be eligible for additional funding under a new category: Tier 3 Exceptional Circumstances.

Tier 3: Exceptional Circumstances

Exceptional Circumstances is a new category intended to provide flexibility in rare cases for commercial or residential projects that:

- *Demonstrate exceptional architectural style or social history contributing to the historic fabric of Louisville; and*
- *Demonstrate exceptional uniqueness in the City of Louisville; and*
- *Availability of funds that will not be detrimental to the HPF.*

There is no cap on exceptional circumstances.

Revolving Loan Program

Staff consider the loan program to be generally working well and do not propose any changes. Engagement results indicated that some users were not aware of the loan component of the program, which staff plan to address in future community outreach.

Income Considerations

Staff recommend adding income related criteria supporting residential grant and loan requests for households earning 120% or below the Area Median Income (AMI). This aligns with the City's recently adopted Housing Plan recommendations to provide relief for households in this income range. Property owners seeking to access grant funds for general maintenance would need to meet this income qualification. Income qualified applicants may also seek a cash match waiver of up to 50% of the existing matching requirement.

Contingency/Emergency Reserve

Section 3 of Resolution 17 establishes an annual Contingency Reserve, to be evaluated by the Commission and City Council on an annual basis. Staff recommend amending this section to establish an annual contingency of 20% of the annual operating budget, which is consistent with best practices of the City's Finance Department and comparable to such funds administered by other City departments. This would then automatically set the reserve without having to take formal action on an annual basis.

Timeframe

Staff recommend no change to the current timeframe to receive grant applications after landmarking (36 months) and for property owners to request grant reimbursements for approved funds (60 months) to remain consistent with the intent of the overall program, which is to incentivize landmarking.

Equity Considerations

The proposed increased upper limits are intended to reflect more accurate costs, and caps on extraordinary circumstances are intended to also address equity considerations in the maximum total disbursement of funds per property. As discussed above, an income qualifier is also proposed to be incorporated to make the program more accessible to property owners, including long term Louisville property owners that may have household incomes below 120% AMI.

SUMMARY

The staff recommendation is to:

1. Update the grant limits for residential and commercial properties to the amounts in Table 7 and Table 8.

2. Amend Extraordinary Circumstances to:

   These grant limitations described above may be exceeded upon a showing of extraordinary circumstances that:

   a. *Preserve, restore, and rehabilitate the integrity of historic architectural features and materials of the exterior of the buildings, including but not limited to historic windows, doors, siding, and other historic features, that without the fund, would be replaced by new materials; and/or,*
   b. *Vital structural work and building code compliance-related work that exceed Tier 1 grant amounts if identified in an approved HSA.*

3. Add Exceptional Circumstances for residential and commercial properties and the criteria:
   a. *Demonstrate exceptional architectural style or social history contributing to the historic fabric of Louisville; and*
   b. *Demonstrate exceptional uniqueness in the City of Louisville; and*
   c. *Availability of funds that will not be detrimental to the HPF.*

4. Add an income qualifier prioritizing residential grants for households earning 120% or below AMI to:
   a. Access grants and loans for maintenance purposes; and
   b. Request a cash match waiver of up to 50% for matching grant types

5. Amend the process for establishing an annual contingency fund to be 20% of the adjusted annual budget.

ALTERNATIVES

1. Update the grant limits to an alternative amount presented in Attachment No 6.
2. Other direction to be considered by staff as directed by the Historic Preservation Commission.

NEXT STEPS

1. Staff plans to draft a new resolution with the recommendations presented for HPC to review and provide a formal recommendation to Council at an HPC meeting later in 2025.
2. Staff and the HPC plan to conduct community outreach to inform residents, realtors and property owners about the grant program and upcoming 1/8% sales tax ballot in Q1-Q2 2026, following adoption of any changes.
3. Staff to report back on preliminary implementation of the grant program update to the HPC in mid to late 2026.

ATTACHMENTS

1. Resolution No 17, Series 2019
2. May 20, 2024, Staff Report – Grant Program Code Update – Research Update
3. User Experience Stakeholder Interviews
4. 2024 Engagement Results – Summary of Key Topics and Themes
5. Typical Cost Estimates in 2025 for Historic Louisville Residential Properties
6. Inflation and Incremental Incentive Calculations

RESOLUTION NO 17
SERIES 2019

A RESOLUTION REPEALING RESOLUTIONS IMPLEMENTING THE HISTORIC PRESERVATION FUND BY REENACTING INTO A SINGLE RESOLUTION INCORPORATING ALL PREVIOUS RESOLUTIONS, PROVIDING UPDATES FOR THE RECENT BALLOT MEASURE, AND INCREASING CERTAIN INCENTIVES

WHEREAS, historic properties and buildings of character in the City of Louisville (the "City") are major contributors to the character and quality of life of our City; and

WHEREAS, the City Council, pursuant to the City Charter, established a Historic Preservation Commission to assist it in the preservation and landmarking of these properties, and

WHEREAS, when properties are locally landmarked they are preserved for future posterity and enjoyment and continue to contribute to the unique character of the City; and

WHEREAS, at the November 4, 2008 election, the voters approved Ballot Issue 2A to levy a one- eighth of one percent (1/8%) sales tax for purposes of historic preservation purposes within Historic Old Town Louisville through December 31, 2018, and

WHEREAS, at the November 2, 2010 election, the voters approved a Ballot Issue 2D to levy a permanent use tax of 3.50%, to supersede the City's then-current use tax, of which one-eighth of one percent (1/8%) of the use tax was dedicated to historic preservation purposes consistent with Ballot Issue 2A, and

WHEREAS, at the November 7, 2017 election, the voters approved a Ballot Issue 2F, which extended the expiration date of the temporary sales tax of one-eighth of one percent for historic preservation from December 31, 2018 to December 31, 2028, and

WHEREAS, City Council by Ordinances No 1544, Series 2008 and No 1743, Series 2017 imposed the tax approved by the voters, established the Historic Preservation Fund ("HPF"), and codified the financial incentives set forth within Ballot Issues 2A (2008), 2D (2010), and 2F (2017), and

WHEREAS, City Council by Resolution No. 20, Series 2009, Resolution No 20, Series 2010, Resolution No 2, Series 2012, and Resolution No. 2, Series 2014, adopted provisions related to the administration and uses of HPF, and established grant programs and incentives to assist property owners in the rehabilitation and restoration of historic properties and new buildings of character; and

WHEREAS, City Council by Resolution No 4, Series 2014, Resolution No. 21, Series 2016, adopted resolutions establishing a revolving loan program within the HPF to encourage landmark designations and rehabilitation of historic properties in the City of Louisville; and

WHEREAS, a core value of the City in the 2013 Comprehensive Plan promotes: "*A Connection to the City's Heritage where the City recognizes, values, and encourages the promotion and preservation of our history and cultural heritage, particularly our mining and* *agricultural past.*" and enhancing the allowed historic preservation incentives strengthens the City's connection to its heritage; and

WHEREAS, a second core value of the City in the 2013 Comprehensive Plan promotes. "*Unique Commercial Areas and Distinctive Neighborhoods where the City is committed to recognizing the diversity of Louisville's commercial areas and neighborhoods by establishing customized policies and tools to ensure that each maintains its individual character, economic vitality, and livable structure.*" and expanding the allowed historic preservations incentives will promote and strengthen the unique individual character of Louisville; and

WHEREAS, the City Council desires to increase the maximum amounts of certain Historic Preservation incentives to best serve the City's core values, and

WHEREAS, the City Council desires to update the provisions related to the City's Historic Preservation incentives and to merge all previous administrative provisions into this single Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO

Section 1. Historic Preservation Fund.

There exists a Historic Preservation Fund ("HPF") in the City of Louisville, as established by Ordinance 1544, 2008 and amended by Ordinance 1743, 2017

a. The HPF shall be funded by·
    i. Proceeds from the 1/8% sales tax established by 2008 Louisville Ballot Issue 2A and Ordinance 1544, Series 2008 and extended by Louisville Ballot Issue 2F and Ordinance 1743, Series 2017,
    ii. Proceeds from the allocation of 1/8% use tax for historic preservation, as established by Louisville Ballot Issue 2D and Ordinance 1575, Series 2010;
    iii. Private and public donations, bequests, grants and funding from other sources made to the City for historic preservation purposes,
    iv Interfund loans from the City of Louisville; if approved by ordinance; and
    v Earnings on such amounts as may be deposited in the HPF
b The City of Louisville Historic Preservation Commission (the "Commission") shall make recommendations regarding expenditures from the HPF, but final action shall by taken by City Council by resolution, provided that after January 1, 2019, any expenditure of funds outside historic Old Town Louisville is approved by the affirmative vote of not less than five members of the entire City Council. The HPF should be managed to achieve maximum preservation of historic structures and the character of historic Louisville.
c. The Commission shall submit an annual statement of goals and recommendations to City Council, and may supplement, modify or update this document throughout the year as necessary
d. As further detailed in the Sections below, the uses of the HPF shall be consistent with the following funds or purposes.

i. Administrative Funds,
ii. Contingency/Emergency Reserve Funds,
iii. Sales and Use Tax Proceeds to Support the Operations and Maintenance of the Louisville Museum Campus,
iv Acquisions Funds, and
v Incentives for Historic Preservation, to Preserve Character, and for New Construction, including grants and loans.

Section 2. Administrative Funds.

Administrative Funds shall be used for purposes consistent with the establishment of the HPF, and shall include, but not be limited to

a. Historical building surveys, other site surveys or reconnaissance-level or intensive-level historic and architectural surveys,
b Staff to support the Commission and City activities in administering programs funded by the tax, including, but not limited to, interns, preservation planners, staff to conduct research for demolition review functions by the Commission and to assist vendors in conducting historic preservation surveys, and other support staff;
c. Plaques or other designations to honor structures that are landmarked or add to the character of historic Louisville
d. Public outreach and education efforts; and
e. Funding of public-private partnerships for preservation of buildings of historic significance

Section 3. Contingency/Emergency Reserve Funds.

In the first year of the existence of the HPF, 20% of the funds of the HPF shall be placed in a Contingency/Emergency Reserve. On an annual basis, the Commission and City Council shall reevaluate how much should be allocated to this Reserve. These funds shall be accessed only for incentives or acquisitions that become necessary due to exigent circumstances, upon the recommendation of the Commission and approval of City Council. "Exigent circumstances" for purposes of this section shall mean that the Commission has determined, with concurrence of City Council, that without urgent action, significant damage will be done to the historic fabric or character of Louisville.

Section 4. Operation and Maintenance for the Louisville Museum Campus

As of January 1, 2019, no more than twenty percent (20%) of the net annual city fiscal year proceeds of the one-eighth percent sales and use tax for historic preservation shall be used or the operation and maintenance of the Louisville Museum Campus.

Section 5. Acquisitions Funds.

Use of Acquisition funds of the HPF shall include, but not be limited to

a. The purchase of historic properties or properties which contribute to the historic character of Louisville. These properties, if eligible, shall be landmarked pursuant to Chapter 15.36 of the Louisville Municipal Code and if not eligible, shall have a conservation easement placed upon them to preserve the outside appearance of the structure or other historical attributes of the structure or site. Prior to the purchase of any property, a financial risk analysis shall be conducted, although City Council may base its approval on considerations other than financial. The City may perform any restoration or rehabilitation work necessary on properties the City acquires, subject to availability of funds therefor, and may then sell the properties unless retained for a municipal purpose. A conservation easement for historic preservation purposes may be placed on the property prior to or in connection with any sale. Any loss and any costs resulting from the acquisition, rehabilitation and sale of the property shall be charged to the HPF, while any profits shall be deposited to the HPF, and
b The purchase of conservation easements to protect the appearance of structures that contribute to the character of historic Louisville. Easements funded by the City may be held solely by the City or jointly with another governmental entity or a third-party non-profit preservation organization.

Section 6. Loan Program Funds

All loans shall be funded solely from those funds held within the HPF for such purposes, and all loans shall be expressly contingent upon the availability of funds.

Section 7 Grant program to conduct structural assessments of eligible structures.

Prior to any structure being declared a landmark pursuant to Chapter 15.36 of the Louisville Municipal Code or the establishment of a conservation easement, the property will undergo a building assessment to develop a preservation plan to establish priorities for the maintenance of the property

a. At a regular meeting, the Commission shall review the building history, application, and other relevant information to determine whether there is probable cause to believe the building may be eligible for landmarking under the criteria in § 15.36 050 of the Louisville Municipal Code. If probable cause is not found by the Commission, a building assessment grant will not be issued. If probable cause is found by the Commission, the owner of the property shall be eligible for a building assessment grant in an amount up to $4,000 for residential properties and $9,000 for commercial properties. Such grants shall be used solely to offset a portion or all of the cost of conducting the building assessment. A finding of probable cause is solely for purposes of action on the building assessment grant request, and does not guarantee any outcome at subsequent hearings by the Commission or City Council.
b. The assessment shall be conducted by a qualified consultant under contract with the City, or by a qualified consultant of the owner's choosing. A qualified consultant should have significant experience in the field of historic preservation and should be a practicing

architect, engineer, planner, or similar profession. The City shall be provided a copy of any assessment for which grant funds are awarded.

c. An exception to the requirement for a building assessment prior to landmarking or the establishment of a conservation easement may be granted by the Commission for good cause.

d. Owners of properties landmarked prior to City Council Resolution 2 Series 2014 who have not received grant funds for a structural assessment and are eligible to receive preservation grant funds through the resolutions in effect at the time of their landmarking approval may request building assessment grants in an amount up to $4,000 for residential properties and $9,000 for commercial properties. Such grants shall be used solely to offset a portion or all of the cost of conducting the building assessment.

Section 8. Residential grants for preserving, restoring, rehabilitating, or protecting landmarked property.

For a period of 36 months from when a property is declared a landmark pursuant to Chapter 15.36 of the Louisville Municipal Code the owner of the property shall be eligible for a grant from the HPF in the amount of up to $45,000 for residential structures.

Grants may be approved under any of the following categories, however grant funds may not be used for interior improvements other than for protection, stabilization, or code-required work.

a. **Preservation** is the act or process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property as they now exist. Approved work focuses upon the repair of exterior historic materials and features rather than extensive replacement and new construction.

b **Rehabilitation** is the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values. Rehabilitation acknowledges the need to alter or add to a historic property to meet continuing or changing uses while retaining the property's historic character The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate.

c. **Restoration** is the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time. Approved work focuses on exterior work and includes the removal of features from other periods in its history and reconstruction of missing features from the restoration period.

The first $5,000 of the grant will be an unmatched incentive grant as a landmark bonus. Owners of a landmarked property will be eligible for this grant following the signing of the landmark and grant agreements. The remaining $40,000 shall be conditioned based on the applicant matching at least one hundred percent (100%) of the amount of the grant with expenditures or an equivalent value of approved in-kind services for approved work based on the completed structural assessment and deemed eligible for a grant from the HPF Eligible work will fall under the preservation, rehabilitation, or restoration categories described above.

Applicants must complete the work covered by any grants and submit their reimbursement requests within 60 months of the landmark declaration. Upon a showing of good cause, the above timeline may be extended with approval of a subcommittee consisting of a designated staff person and two randomly selected members of the commission. If the request for timeline extension is not approved unanimously, the request forwarded to the full commission for consideration at a public meeting.

Section 9 Commercial grants for preserving, restoring, rehabilitating, or protecting landmarked property

For a period of 36 months from when a property is declared a landmark pursuant to Chapter 15.36 of the Louisville Municipal Code the owner of the property shall be eligible for a grant from the HPF in the amount of up to $200,000 for commercial structures. The grant timeframes may be extended based on the procedures in Sec. 6 below

Grants may be approved under any of the following categories, however grant funds may not be used for interior improvements other than for protection, stabilization, or code-required work.

a. **Preservation** is the act or process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property as they now exist. Approved work focuses upon the repair of exterior historic materials and features rather than extensive replacement and new construction.
b **Rehabilitation** is the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values. Rehabilitation acknowledges the need to alter or add to a historic property to meet continuing or changing uses while retaining the property's historic character The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate.
c. **Restoration** is the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time. Approved work focuses on exterior work and includes the removal of features from other periods in its history and reconstruction of missing features from the restoration period.

The first $50,000 of the grant will be an unmatched incentive grant as a landmark bonus. Owners of a landmarked property will be eligible for this grant following the signing of the landmark and grant agreements. The remaining $150,000 shall be conditioned based on the applicant matching at least one hundred percent (100%) of the amount of the grant with expenditures or an equivalent value of approved in-kind services for approved work based on the completed structural assessment and deemed eligible for a grant from the HPF Eligible work will fall under the preservation, rehabilitation, or restoration categories described above.

Applicants must complete the work covered by any grants and submit their reimbursement requests within 60 months of the landmark declaration. Upon a showing of good cause, the above timeline may be extended with approval of a subcommittee consisting of a designated staff person and two randomly selected members of the commission. If the request for timeline extension is not approved unanimously, the request will be forwarded to the full commission for consideration at a public meeting.

Section 10. Residential new construction grants.

Owners of landmarked property on which additions to existing residential structures are proposed are eligible for matching grants of up to $15,000 for new residential construction that, beyond mandatory requirements, substantially limits mass, scale, and number of stories, preserves setbacks, and protects the historic integrity of the property and its environment by differentiating new work from the old. Qualifying new construction must maintain the existing height of the historic structure over the first 1/3 of the overall structure and have a floor area ratio (FAR) 10% below what is allowed by zoning.

Section 11 Commercial new construction grants.

Owners of landmarked property on which new commercial structures or additions to existing commercial structures are proposed are eligible for grants of up to $75,000 for new commercial construction that, beyond mandatory requirements, substantially limits mass, scale, and number of stories, preserves setbacks, preserves pedestrian walkways between buildings, and protects the historic integrity of the property and its environment by differentiating new work from the old. Qualifying new construction must limit building height to two stories or match the existing height of the historic building if more than two stories, and have a floor area ratio (FAR) 20% below what is allowed by zoning.

Section 12. Maximum grant amounts, time limits, and procedures

The maximum combined amount of incentive and grant funding from the HPF that any property may receive is limited to the following:

a. $49,000 per property for a residential structure with landmark status
   i. $4,000 structural assessment
   ii. $5,000 landmark incentive grant
   iii. $40,000 matching grant
b $209,000 per property for a commercial structure with landmark status
   i. $9,000 structural assessment
   ii. $50,000 landmark incentive grant
   iii. $150,000 matching grant
c. $15,000 matching grant for eligible new residential construction that, beyond mandatory requirements, substantially limits mass, scale, and number of stories, preserves setbacks, and protects the historic integrity of the property and its environment by differentiating the new work from the old. Qualifying new construction must maintain the existing height of the historic structure over the first 1/3 of the overall structure and have a floor area ratio (FAR) 10% below what is allowed by zoning.
d. $75,000 grant for eligible new commercial construction that, beyond mandatory requirements, substantially limits mass, scale, and number of stories, preserves setbacks, preserves pedestrian walkways between buildings, and protects the historic integrity of

the property and its environment by differentiating the new work from the old. Qualifying new construction must limit building height to two stories or match the existing height of the historic building if more than two stories, and have a floor area ratio (FAR) 20% below what is allowed by zoning.

To be considered for incentives funding, the owner must complete an application and submit it to the Commission, together with sufficient building plans, if appropriate. Applications may be submitted at any time. Applications shall initially be reviewed by Commission staff, followed by a recommendation to the Commission. The Commission shall make a recommendation to City Council for final action. Any recommendation by the Commission may be to grant some, all or none of the requested incentives. If the Commission recommendation is to grant the requested incentives in whole or part, it shall also forward recommendations regarding the terms of an agreement which must be met for receipt of the incentives. All recommendations are subject to approval, rejection and/or modification by City Council, and City Council may return recommendations for further information or review All incentives are subject to budgetary requirements and considerations, including review of amounts currently and foreseeably available in the HPF and appropriation in the discretion of City Council. Additions to existing structures may qualify for incentives if so recommended by the Commission and approved by City Council.

a. Applications for incentive and grant funds must be received by the Planning Department within 36 months of the date a property is declared a landmark pursuant to Chapter 15.36 of the Louisville Municipal Code.
b. Reimbursement requests for completed work approved for grant funding must be received within 60 months of a property being declared a landmark pursuant to Chapter 15.36 of the Louisville Municipal Code.
c. These grant limitations described above may be exceeded upon recommendation of the Commission and approval by City Council upon a showing of extraordinary circumstances relating to building size, condition, architectural details, or other unique condition compared to similar Louisville properties. Any grant exceeding the above limitations shall be conditioned on the applicant matching at least one hundred percent (100%) of the amount of the grant with expenditures or an equivalent value of approved in-kind services that are integral to the project that is deemed eligible for a grant from the HPF
d. Upon a showing of good cause, the above timeline may be extended with approval of a subcommittee of the Historic Preservation Commission consisting of a designated staff person and two randomly selected members of the Commission. If the request for timeline extension is not approved unanimously, the request will be forwarded to the full Commission for consideration at a public meeting.
e. Any time extensions due to extraordinary circumstances that exceed the 36 month cap for grant applications or the 60 month cap for reimbursement requests may require an update to the existing Historic Structure Assessment described in Section 1 if the necessary work has changed in that time period or if the applicants are proposing work not identified in the Historic Structure Assessment. If deemed necessary, this update will be completed at the expense of the applicant.

f. Owners of properties landmarked prior to enactment of this resolution shall have access to the grant funds available through the resolutions in effect at the time of landmarking approval. Such owners may also apply for additional grants through the extraordinary circumstances process described above.
g. The Commission will review all grant applications and make recommendations to the City Council for approval or disapproval. The City Council may approve, deny, or return a proposal to the Commission for further information.
i. Grants may be given in installments upon the satisfactory completion of portions of the project, or given in total upon the satisfactory completion of the project. Conditions for the satisfactory completion of the project shall be given when the grant is awarded. Grants maybe revoked if the conditions are not met. Grants given prior to the beginning of a project may be given only in suitable situations, as recommended by the Commission and approved by City Council, including approval by not less than five members of City Council for grants outside Old Town Louisville.
h. An applicant may request that the value of stabilization, restoration or preservation work completed on the structure prior to landmarking be considered as a credit against the matching requirement of this Section. Credit for such previously completed work is at the discretion of the City Council. Credit may only be considered under the following circumstances.
    i. Only work completed within five years prior to the effective date of landmarking may be considered for potential credit against the matching requirement.
    ii. The work previously performed was for stabilization, restoration, or preservation of the historic structure. No landscaping or site work may be considered for potential credit against the matching requirement. No interior work, except for structural work, sensitive upgrading of mechanical, electrical, and plumbing systems, and other code-required work to make the property functional, may be considered for potential credit against the matching requirement.
    iii. Consideration for credit against the matching requirement may only be given to costs of previously completed work which is documented by paid receipts or invoices. The applicant shall provide the City with complete copies of all such receipts or invoices together with proof of payment, and shall also provide any available supporting documentation upon City request. The request for consideration of previously completed work shall also be accompanied by applicant's written certification that the work for which credit is requested was completed and the costs thereof were incurred and paid, and that the information in such request is true and accurate to the best of applicant's knowledge and belief. The value of in- kind services completed by the applicant shall not be considered.
    iv The amount of credit given for any previously completed work shall be determined by the City Council with input from the Commission, considering such factors as the nature, extent and useful life of the work, the time it was completed, the appreciated or depreciated value of the work, and such other factors as determined relevant.

Section 13. Incentive grants to encourage conservation easements on properties which contribute to the character, historical or architectural merit in Downtown Louisville and which are not eligible to be landmarked.

a. For a period of 18 months from when a property is designated by the City Council as a structure of merit, the owner of the property shall be eligible for a grant from the HPF in the amount of up to $50,000 These grants are available for·
    i. Preserving, rehabilitating, restoring or protecting the property
        i. **Preservation** is the act or process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property as they now exist. Approved work focuses upon the repair of exterior historic materials and features rather than extensive replacement and new construction.
        ii. **Rehabilitation** is the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values. Rehabilitation acknowledges the need to alter or add to a historic property to meet continuing or changing uses while retaining the property's historic character The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate.
        iii. **Restoration** is the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time. Approved work focuses on exterior work and includes the removal of features from other periods in its history and reconstruction of missing features from the restoration period.
    ii. Offsetting costs of preserving the structural merit of a building that is being expanded pursuant to Sections 17 16.280 and 17.28 050 of the Louisville Municipal Code.

b. Grant funding may only be expended for the activities listed in this section for those portions of a property designated to be a structure of merit.

Section 14. Creation of a Revolving Loan Program.

a. There is hereby established within the HPF a revolving loan fund program, utilizing funds from the HPF as supplemented by private and public donations and grants, interfund loans, and any other appropriate sources of funds, all as from year-to-year appropriated for such purposes.

b The historic preservation revolving loan program shall be used to provide low-interest loans for the purposes of preservation, restoration, rehabilitation and protection of properties which are landmarked pursuant to Chapter 15.36 of the Louisville Municipal Code or subject to a conservation easement to preserve the character of historic Louisville.

c. The City Manager is authorized to issue requests for proposals and enter into contracts for entities to administer the loans from this program.
d. City staff and the Commission shall develop applications, informational brochures and other materials necessary to develop and administer the revolving loan program. The City Manager is authorized to adopt written rules for the administration of the loan program, the provisions of which shall be consistent with Ballot Issues 2A, 2D and 2F and City ordinances and resolutions.

Section 15. Loans from the Revolving Loan Fund.

Loan requests applications shall be submitted to City staff and shall be reviewed by the Commission at a public meeting. The Commission shall provide its recommendation on the application before final action is taken by City Council. Final action on loans awarded to property outside historic Old Town Louisville shall be approved by not less than five Council Members.

Loan requests applications may be submitted and considered in conjunction with grants from the Historic Preservation Fund, respecting the grant limitations established herein. The Commission may recommend a mixture of loans and grants from the HPF even if the applicant requested only one type of assistance, and also may recommend one type of assistance where a mixture is requested. City Council may also decide to approve any one or a mixture of loans and grants regardless of the number or types of assistance requested in the request application. A mixture of loans and grants awarded to property outside historic Old Town Louisville shall be approved by not less than five Council Members.

Loans shall be in an amount of at least $2,500 There is no specific loan limit established in this Resolution, but the Commission and City Council shall consider the following in setting an amount:

a. Current amount of funds in the HPF and the needs of other projects,
b The necessity of the work to be performed for the preservation or rehabilitation of the structure and how the proposed work fits into the overall preservation plan for the structure;
c. The availability of other funding sources.

Interest rates shall be equal to 2% below the Wall Street Journal Prime Rate as reported on the date of city acceptance of a complete application, not to go below 1%. The interest rate may be increased or decreased by City Council at the time of initial approval upon a showing of extraordinary circumstances. Any fees for loan processing shall also be established at the time of the award. The loan repayment schedule shall also be established at the time of the award, provided, however, that all loans shall include a due-on-sale clause providing that any outstanding balance on the loan shall be paid in full upon sale or transfer of the property

In connection with the processing of loan requests, the City may require such information as is reasonably necessary to determine the state of title to and encumbrances upon the subject property, the creditworthiness of the proposed borrower(s), and other matters relevant to loan award and repayment criteria. The City or loan program administrator may require applicants provide written consents to obtain such information.

Receipt of any loans, grants or other incentives shall require that the structure be landmarked pursuant to Chapter 15.36 of the Louisville Municipal Code, or if not eligible for landmarking, that the owner grant the City a conservation easement to preserve the outside appearance of the structure or other historic attributes of the structure or site.

Loan funds may not be used for interior improvements other than for protection, stabilization, or code-required work.

Loans may be approved under any of the following categories.

a. **Preservation**. the act or process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property as they now exist. Approved work focuses upon the repair of exterior historic materials and features rather than extensive replacement and new construction.
b **Rehabilitation**. the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values. Rehabilitation acknowledges the need to alter or add to a historic property to meet continuing or changing uses while retaining the property's historic character The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate.
c. **Restoration.** the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time. Approved work focuses on exterior work and includes the removal of features from other periods in its history and reconstruction of missing features from the restoration period.

Section 16. Repeal and Reenactment; Effective Date.

As of May 21, 2019, Resolutions No 20, Series 2009, No. 20, Series 2010, No 2, 2012, No 2, 2014, No. 4, 2014, and No. 21, 2016 are hereby repealed and reenacted by this Resolution No 17, Series 2019 Resolutions No. 20, Series 2009, No. 20, Series 2010, No 2, 2012, No 2, 2014, No 4, 2014, and No 21, 2016 are still in effect for any incentives approved or any final actions taken prior to May 21, 2019

PASSED AND ADOPTED this 21st day of May, 2019

Robert P Muckle, Mayor

CITY OF LOUISVILLE SEAL COLORADO

ATTEST

Meredyth Muth, City Clerk

ITEM: Grant Program Code Update – Research Update

STAFF: Amelia Brackett Hogstad, Senior Planner

PURPOSE
The purpose of this update is to:

- Present the HPC with preliminary information serving three research tasks:
  - Creating estimates of future grant expenditures
  - Studying meaningful grant increases across the board
  - Drafting options for additional grant types
- Learn from the HPC what other data points would be helpful ahead of reviewing a preliminary draft of the grant program update.
- Get early feedback from the HPC on some of the potential additions to the program.

Specific questions for the HPC are at the end of the memo.

BACKGROUND
The main project in the 2024 HPC Work Plan is to recommend an update to the Historic Preservation Fund grant program, which was last updated in 2019. The HPC discussed ideas and goals for the new program at a "retreat" in January 2024. Based on that meeting, staff is pursuing two goals for the update:

1. Increase grant amounts across the board to reflect rising costs (supported by tasks 1 and 2).
2. Explore adding new grants for specific project types and applicant groups (supported by task 1).

RESEARCH

Task 1: Creating estimates of grant expenditures in the future

Estimating how many landmarks remain
At the 2024 HPC retreat, commissioners expressed interest in creating a targeted landmark list to guide a proactive approach to landmarking. Staff is not proposing to finalize a list with HPC as part of the grant program update. However, commissioners and staff discussed that a general idea of how many target landmarks remain could inform the grant program update.

Staff used the following information to estimate the remaining number of un-landmarked buildings that could be on a future target list:

Estimated Number of Targeted Landmarks			
Source	**Residential or Commercial**	**# landmarks recommended**	**Notes**
2018 "Stories in Places" historic context	Residential – Old Town	~48	Consultants recommended for outreach based on architectural style
2018 "Stories in Places"	Commercial – Downtown	~20	Ibid
Bella Vista neighborhood	Residential	~2	Staff estimate based on architectural representation
1960s/1970s neighborhood	Residential	~2	Ibid
Economic Vitality Memo: Priority Properties for Focus	Commercial	1	Wildwood Guitars building
		Total: 72	

The utility of these sources in providing an estimated number of targeted landmarks is limited, given that the "Stories in Places" context recommendations are based solely on creating a stylistically representative body of landmarks, and do not directly take social significance into account. In addition, very few of these recommended properties have been landmarked in the past six years, even though there have been 26 landmarks created in that time. Clearly, there are buildings that have historic value other than those included in "Stories in Places." Note also that there are currently over 800 buildings in Louisville that are 50 years or older.

On one hand, these factors suggest that the number of desirable landmarks is much higher than 72. On the other, the "Stories in Places" recommendations are predicated on the assumption that the goal of the program is to preserve three to five of the best representations of each architectural style. That number per style may be higher than necessary to achieve the goal of representation.

Given these limitations, it may be more beneficial to estimate future costs of the program with other methods. Examples to consider:

- Staff could provide estimated grant expenditures for a target of 10 more landmarks over the next four years (the current count is at 65).[1] This is a good option if the HPC is interested in setting a concrete number goal to guide the program over a set period of time.

[1] Staff used the four-year horizon since the current sales tax program expires in 2028, around which time Louisville residents will need to vote to continue it.

- Staff could provide an estimate of potential large-scale commercial buildings and their redevelopment costs, since these would likely be the most expensive potential projects. This is a good option if the HPC is interested in prioritizing a number of large, high-impact properties downtown.
- Staff could provide projected expenditures for four landmarks a year for the next four years. (Four landmarks per year is based on the average of the past five years, excluding 2020.) This is a good option to get a general sense of the future of the fund without a targeted outreach campaign.

Estimating annual sales tax income for grant program versus past annual expenses
The total balance of the unencumbered fund is approximately $3 million. However, the encumbered balance is lower given that not all grants that have been awarded have been paid out.

The table below summarizes recent expenditures and revenue for the Fund. The table shows that annual revenue tends to outpace expenditures.

Grant Expenditures Since 2020, Estimated		
These numbers are taken from staff tracking spreadsheet showing total requested, not total reimbursed. Note that grants are part, but not all, of the expenditures from the Historic Preservation Fund.		
2020	$1 million	• Included ~$400,000 in preservation and new construction grants to 809 Main (*has been paid out)* • Included ~$100,000 loan to 833 Jefferson • Included 5 other grants between $40,000 - $100,000 • +/- 10 landmarks
2021	$297,050	• Included ~$124,000 to 701 Grant *(has been paid out)* • +/- 4 landmarks
2022	$33,000	• Assessment grants and landmark bonuses only.
2023	$362,230.65	• Included ~$132,000 grant to 1045 Front • +/- 4 landmarks

Recent Historic Preservation Fund Revenue	
2021	$851,213
2022	$917,815

Task 2: Studying meaningful grant increases across the board

Interviewees
Staff is planning to interview 3-5 developers, homeowners, and architects with the user experience stakeholder interviews that the user experience survey subcommittee (Randy Dalia and Chrissie Burg) drafted last year (Attachment 1). The goals of these interviews are to learn about barriers to landmarking and total cost of projects, as well as crowdsource general ideas for improving the usability of the program overall.

Past requests
The table below provides residential grant awards for 2023 landmarks, which included 5 new landmarks and one Preservation and Restoration Grant awarded to an existing landmark. Grants for historic structure assessments are not included. No new construction grants were awarded in 2023.

The residential portion of the table below shows the high cost of a full restoration and new foundation work for a residential property (1045 Front) compared to smaller projects (929 Parkview and 741 Lincoln). It also provides an example of what allowing existing landmarks to access larger grants can cost (816 McKinley).

The commercial portion of the table below shows the range of costs for past commercial projects, all of which would be higher than the maximum $150,000 currently allowed for Preservation and Restoration Grants on commercial properties.

<table>
<tr><th colspan="5">Residential</th></tr>
<tr><th colspan="5">2023 New Landmark Costs</th></tr>
<tr><th>Property</th><th>Grant Awarded</th><th colspan="3">SOW</th></tr>
<tr><td>1045 Front</td><td>$137,000</td><td colspan="3">Restoration, structural, bonus</td></tr>
<tr><td>929 Parkview</td><td>$56,974</td><td colspan="3">Restoration, structural, bonus</td></tr>
<tr><td>741 Lincoln*</td><td>$21,533</td><td colspan="3">Preservation, bonus</td></tr>
<tr><td>301 Spruce*</td><td>$5,000</td><td colspan="3">Bonus</td></tr>
<tr><td>1209 Main*</td><td>$5,000</td><td colspan="3">Bonus</td></tr>
<tr><td colspan="5">*These properties have not maxed out their grant allowances.</td></tr>
<tr><th colspan="5">2023 Existing Landmarks Costs</th></tr>
<tr><td>816 McKinley</td><td>$58,750</td><td colspan="3">Restoration, structural</td></tr>
<tr><th colspan="5">Commercial – Sample, All Time</th></tr>
<tr><th>Property</th><th>Grant Awarded</th><th>SOW</th><th>Year</th><th>Inflation-Adjusted***</th></tr>
<tr><td>809 Main</td><td>$442,083</td><td>Restoration, structural, code updates, new construction</td><td>2021</td><td>$527,852</td></tr>
</table>

Property	Grant Awarded	SOW	Year	Inflation-Adjusted***
945 Front**	$139,800	Preservation, structural, restoration, code updates, new construction	2016	$184,301
927 Main**	$140,000	Rehabilitation, code updates, preservation, restoration, new construction	2014	$186,932
740 Front**	$240,000	Structural, restoration, code updates, new construction	2014	$320,455.55
**These properties were approved under a different grant program than the 2019 update. ***Inflation-adjusted cost based on Consumer Price Index.				

Task 3: Drafting options for additional grant types
The current iteration of the grant has one grant for restoration, rehabilitation, and preservation projects. This framework was adopted during the 2019 grant program update because staff, the HPC, and Council determined that having different buckets of money for these projects made navigating the program overly complicated and confusing. (Grants for historic structure assessments and new construction are separate grant types.)

While simplicity is a valuable goal for the final program update, at this early stage staff is investigating several grant program “carve-outs” that came up during the retreat. These would be grants for specific applicants or types of work separate from the standard Preservation and Restoration Grants.

Carve-outs for full restoration & structural projects
At the retreat, commissioners expressed interest in supporting more full restoration projects given the stated value of restoration and creating a separate category for structural costs given the high cost of structural work compared to other project types. Creating separate grant types could emphasize the importance (and high expense) of these types of projects by creating specific grant types with higher maximum amounts, accessible to new and/or existing landmarks.

The current program often requires that these projects be reviewed through the “extraordinary circumstances” language in Resolution 17, Series 2019, since they often cost more than the maximum grant allowed and/or they are requested by existing landmarks that do not qualify for the standard grant amount.

Below are the total project costs and amounts awarded for three recent large-scale residential restoration projects, as well as the last four residential projects that received funds for structural work. Note that these numbers do not include project costs and amounts awarded for other project work, such as for grading or building code updates.

Estimates for Full Restoration Work		
Property	**Total Cost (approx.)**	**Amount Awarded**
612 Jefferson	$107,750	$53,875
1045 Front	$302,000	$151,000
929 Parkview*	$77,000	$38,500
Averages	*$162,250*	*$81,125*
Estimates for Structural Work		
Property	**Total Cost (approx.)**	**Amount Awarded**
612 Jefferson	$56,000	$28,000
1045 Front	$250,000	$125,000
929 Parkview*	$9,274	$18,548
600 Lincoln	$29,644	$14,822
Averages	*$86,229.50*	*$46,592.50*
*The amounts for this project do not include professional design costs or labor. Note that not all projects break down the professional costs as a separate line item. The amounts above attempt to divide professional costs so that the totals across different properties are comparable.		

Viability of income-based support
At the retreat, commissioners and staff discussed the viability of income-based support. Staff is still investigating if and how an income-based program could work. Preliminary ideas are to create grants that provide income-qualified applicants with access to design support and grants that help offset the tax implications of large grants on lower-income applicants.

REQUEST FOR COMMISSION FEEDBACK
Staff is requesting feedback from the HPC on the following questions to inform next steps:

1. For Task 1, which method(s) would you like staff to use in estimating future grant expenditures?
2. For Task 2, after looking at the recent costs for restoration and structural projects, do you have any feedback on whether you want staff to provide options for separate grants for these project types?
    a. Relatedly, are you interested in allowing previously landmarked properties to have greater access to grants, such as to support restoration projects and/or structural work?

3. Commercial projects represent a much larger investment than most residential properties. Is the HPC interested in prioritizing commercial properties for landmarking and grants over the next few years?
4. What additional information do you need to prepare to evaluate an update to the grant program?
5. What ideas for changes are missing from this summary that you would like staff to investigate?

ATTACHMENTS

1. User Experience Stakeholder Interviews

Historic Preservation Commission
User Experience Stakeholder Interviews
Spring 2023

The Historic Preservation Commission is conducting a series of interviews and focus group meetings with users of the Historic Preservation Program in an effort to identify recommendations to make the Program more effective. No responses will be attributed to any of the interviewees. Thank you in advance for your participation.

1. What project(s) have you worked on?
    - Commercial
    - Residential
    - Both

2. What was your experience working with the Historic Preservation program? Select all that apply.
    - Historic Structure Assessment
    - Landmark
    - Alteration Certificate
    - Preservation Grant
    - New Construction Grant
    - Loan

3. What worked well with the program, from your experience?

4. What was the most difficult part of the program? (Locating information, time to completion, City communications, external factors like finding and/or working with an architect, Marshall Fire, etc.)

5. If you received a grant, how much of your total preservation project costs did the grant cover?

6. If you did not pursue a grant, why not? What amount would you have compelled you to consider the program?

7. What were the most important incentives to landmarking? Rank choice.
    - Desire to preserve your personal history or your family's history

- Desire to preserve community character
- Preservation and Restoration Grant
- Extraordinary circumstances (money received above the maximum grant amount. Since 2019, the maximum for residential has been $40,000 and the maximum for commercial has been $150,000)
- New construction grant
- Landmark bonus
- Floor area ratio (square footage) bonus
- Lot coverage bonus
- Other (please describe)

8. If you have applied for an Alteration Certificate, please rank your satisfaction with the following (1-5):
    - Time it took to review
    - Clarity of communication
    - Design review process
    - The final design result
9. If you applied for an Alteration Certificate for new construction (addition), did you apply for a New Construction Grant?
    - Yes – Why? Please describe

    - No – Why not?
        - I was not aware of the New Construction Grant
        - The design requirements were too stringent
        - The incentive amount was insufficient
        - Other (please describe)

10. What other suggestions or recommendations would you make to the Historic Preservation Commission to make Louisville's Historic Preservation Program more effective?

Again, thank you for your participation.

Attachment 4 – 2025 Engagement Results – Summary of Key Topics and Themes

Grant Program Update Ideas:

- Have specific funds for highest-importance items (such as structural work identified in an HSA)
- Pay the person/contractor doing the work directly to avoid tax implications for property owner
- Increase grants to reflect the increased costs to restore homes in 2024
- Increase the length of time that the homeowner has to restore their homes under the grant program
- Consider need and merit for higher financial requests
- Consider establishing merit criteria to weigh different buildings/proposals against each other
- Prefer to keep the matching system
- Structural grant carve out is a good idea
- Award grants on a sliding scale based on project renovation costs, and possibly a gap analysis (similar to the LRC grants for income-producing properties)
- Use a sliding scale relative to the size of the project for commercial
- The landmark incentive doesn't go very far; $10,000 would be more realistic
- Increase funds available overall. Prices are so high after COVID.

What is working well:

- The HPF is effective at promoting historic preservation and retention of what makes Louisville a special place
- There is a low enough bar for landmarking that property owners interested in landmarking and preservation can usually access the program if they have a reasonable amount of historic fabric existing
- Overall a good process
- Financial incentives are the key to voluntary landmarking
- Staff and HPC came to visit our property and kept the communication open throughout the process
- Two recent homes that were done we wouldn't have done it without the funding
- landmark and preservation bonuses in the zoning code are helpful in saving some historic character in Old Town
- Cost estimates in the HSA end up being pretty close to the end product

What is not working well:

- Louisville doesn’t get the buildings that should be landmarked with our current approach - not all buildings are worth saving
- Application forms could be improved
- Didn’t know about the loan program
- Confusing program for lay person to navigate
- Tax implications for property owners
- Current $40,000 residential grant is eaten up by basic costs like windows
- If every house is going to have extraordinary circumstances, then it's not extraordinary
- There are always extraordinary circumstances
- Predictability is an issue
- Most important parts for funding are street view, windows, siding, soffit and fascia, but also there is no point if it doesn't last structurally: roofs, foundations, sometimes flooring.
- Facade easement portion needs to be very black and white (i.e., not as dependent on individual agreement language) to make it consistent with what can be done to the building over time.
- $50,000 is not enough for a conservation easement
- Materials for one project alone were over $100,000; affordability is an issue
- It's difficult to find enough staff to conduct HSAs
- Could consider a maximum amount for extraordinary circumstances
- It is tough to break up the grant types because they are all connected

Commercial Specific Feedback:

- Commercial projects that are stressed due to rising construction costs and land costs would need a significant grant to make the risk worthwhile
- Significant grant funding could represent 25-30% of a project cost, which can be the difference between being economically viable or not
- Increasing the financial limits would be helpful.

Other Considerations:

- Administration of the program is not ‘black and white’ as there are naturally subjective aspects to preservation, and each property is unique.

Attachment 5 - Typical 2025 Cost Estimates for Historic Louisville Residential Properties

Category	Scope	Typical Cost
Structural	Foundation Systems Temporarily lift house Floor & Ceiling Systems Roof Framing Systems *Envelope – Exterior Walls* Exterior Wall Construction *Envelope – Roofing & Waterproofing* Roofing Systems Perimeter Foundation Drainage Drainage System, gutters & Downspouts Grading	$60,000 $30,000 $20,000 $10,000 $10,000 $3,000 $3,500 $12,500 $5000 Subtotal: $154,000
Rehabilitation	*Electrical Systems* Electrical Service & Panels Electrical Distribution System Lighting *Mechanical Systems* Heating & Air-Conditioning Water Service, Plumbing, & Sewer Utilities	$5,000 $15,000 $500 $40,000 $10,000 $40,000

	Asbestos Removal	Total: $110,500
Restoration	*Exterior Details*	
	Soffit & Fascia	$7,500
	Trim	$8,500
	Ornamentation	$5000
	Exterior Masonry	$3,500
	Exterior Appendages	$1,500
	Windows & Doors	
	Doors	$3000
	Windows	$25000
		Total: $54,000
New Construction	Restoration of Garage	$75,000
	Accessory Dwelling Unit	$400,000+
		Subtotal: varies significantly

Source: DAJ Design 2025

Notes on Cost Estimates:
Many Louisville lots are flatter and many have drainage issues that were created when the old town roads were raised and paved, therefore grading costs are typical. Foundation costs can vary significantly depending on: 1: the type of foundation (stone, brick, concrete, a combination), and: 2. The approach to making foundation repairs (lifting the house and pouring a new foundation is the best method for concrete. Repairing the existing foundation is good for stone or in cases when lifting the house is not feasible. Framing item costs, including floor, roof, walls, exterior finishes & masonry, Gutters & downspouts are typical, soffit, fascia, trim, ornamentation, are all typical/standard costs. Exterior appendages can vary depending on how many items have been added to the original structure and what the approach is for repairing or removing them. Roofing & flashing is typical; most houses have new roofs from 2018 or 2019 so costs may depend on quality of roof venting and insulation. Perimeter foundation drainage only comes into account if considering an entirely new foundation. Mechanical and electoral systems can vary widely, as some houses have new systems while others have very old systems, and many have a mix of new and old. Asbestos is

common but the extent can vary. Having asbestos siding always increases the amount over having smaller amounts on the interior.

Attachment 6 – Incentive Calculations

Notes: Baseline is 5% annual inflation (compounded). Incentive categories add respective percent to the adjusted inflation number

Residential Incentive					
	Baseline	**5% Incentive**	**10%**	**15%**	**20%**
2019	5000	5250	5500	5750	6000
2020	5250	5512.5	5775	6037.5	6300
2021	5512.5	5788.125	6063.75	6339.375	6615
2022	5788.125	6077.53125	6366.938	6656.344	6945.75
2023	6077.53125	6381.407813	6685.284	6989.161	7293.038
2024	6381.407813	6700.478203	7019.549	7338.619	7657.689
2025	6700.478203	7035.502113	7370.526	7705.55	8040.574
2026	7035.502113	7387.277219	7739.052	8090.827	8442.603
2027	7387.277219	7756.64108	8126.005	8495.369	8864.733
2028	7756.64108	8144.473134	8532.305	8920.137	9307.969

Commercial Incentive					
	Baseline	**5% Incentive**	**10%**	**15%**	**20%**
2019	50000	52500	55000	57500	60000
2020	52500	55125	57750	60375	63000
2021	55125	57881.25	60637.5	63393.75	66150
2022	57881.25	60775.3125	63669.38	66563.44	69457.5
2023	60775.3125	63814.07813	66852.84	69891.61	72930.38
2024	63814.07813	67004.78203	70195.49	73386.19	76576.89
2025	67004.78203	70355.02113	73705.26	77055.5	80405.74
2026	70355.02113	73872.77219	77390.52	80908.27	84426.03
2027	73872.77219	77566.4108	81260.05	84953.69	88647.33
2028	77566.4108	81444.73134	85323.05	89201.37	93079.69

Residential Structure					
	Baseline	**5% Incentive**	**10%**	**15%**	**20%**
2019	**40000**	42000	44000	46000	48000
2020	42,000.00	44100	46200	48300	50400
2021	44,100.00	46305	48510	50715	52920
2022	46305	48620.25	50935.5	53250.75	55566
2023	48,620.25	51051.2625	53482.28	55913.29	58344.3
2024	51,051.26	53603.82563	56156.39	58708.95	61261.52
2025	53,603.83	56284.01691	58964.21	61644.4	64324.59
2026	**56,284.02**	**59098.21775**	**61912.42**	**64726.62**	**67540.82**
2027	59,098	62053.12864	65008.04	67962.95	70917.86
2028	62,053.13	65155.78507	68258.44	71361.1	74463.75

Commercial Structure					
	Baseline	**5% Incentive**	**10%**	**15%**	**20%**
2019	**150000**	157500	165000	172500	180000
2020	157500	165375	173250	181125	189000
2021	165375	173643.75	181912.5	190181.3	198450
2022	173643.75	182325.9375	191008.1	199690.3	208372.5
2023	182325.9375	191442.2344	200558.5	209674.8	218791.1
2024	191442.2344	201014.3461	210586.5	220158.6	229730.7
2025	201014.3461	211065.0634	221115.8	231166.5	241217.2
2026	**211065.0634**	**221618.3166**	**232171.6**	**242724.8**	**253278.1**
2027	221618.3166	232699.2324	243780.1	254861.1	265942
2028	232699.2324	244334.194	255969.2	267604.1	279239.1

	New Residential				
	Baseline	**5% Incentive**	**10%**	**15%**	**20%**
2019	**15000**	15750	16500	17250	18000
2020	15750	16537.5	17325	18112.5	18900
2021	16537.5	17364.375	18191.25	19018.13	19845
2022	17364.375	18232.59375	19100.81	19969.03	20837.25
2023	18232.59375	19144.22344	20055.85	20967.48	21879.11
2024	19144.22344	20101.43461	21058.65	22015.86	22973.07
2025	20101.43461	21106.50634	22111.58	23116.65	24121.72
2026	**21106.50634**	**22161.83166**	**23217.16**	**24272.48**	**25327.81**
2027	22161.83166	23269.92324	24378.01	25486.11	26594.2
2028	23269.92324	24433.4194	25596.92	26760.41	27923.91

	New Commercial				
	Baseline	**5% Incentive**	**10%**	**15%**	**20%**
2019	**75000**	78750	82500	86250	90000
2020	78750	82687.5	86625	90562.5	94500
2021	82687.5	86821.875	90956.25	95090.63	99225
2022	86821.875	91162.96875	95504.06	99845.16	104186.3
2023	90294.75	94809.4875	99324.23	103839	108353.7
2024	93906.54	98601.867	103297.2	107992.5	112687.8
2025	97662.8016	102545.9417	107429.1	112312.2	117195.4
2026	**101569.3137**	**106647.7793**	**111726.2**	**116804.7**	**121883.2**
2027	105632.0862	110913.6905	116195.3	121476.9	126758.5
2028	109857.3697	115350.2381	120843.1	126336	131828.8

Conservation Easement					
	Baseline	**5% Incentive**	**10%**	**15%**	**20%**
2019	50000	52500	55000	57500	60000
2020	52500	55125	57750	60375	63000
2021	55125	57881.25	60637.5	63393.75	66150
2022	57881.25	60775.3125	63669.38	66563.44	69457.5
2023	60775.3125	63814.07813	66852.84	69891.61	72930.38
2024	63814.07813	67004.78203	70195.49	73386.19	76576.89
2025	67004.78203	70355.02113	73705.26	77055.5	80405.74
2026	70355.02113	73872.77219	77390.52	80908.27	84426.03
2027	73872.77219	77566.4108	81260.05	84953.69	88647.33
2028	77566.4108	81444.73134	85323.05	89201.37	93079.69