City of Louisville
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Historic Preservation Commission
Staff Report
October 20, 2025

ITEM: Historic Preservation Fund (HPF) Grant Program Update – Draft Resolution No. XX, Series 2025

STAFF: Jess Daniels, Senior Planner

PURPOSE

The purpose of this report is to:

1. Present draft Resolution No. XX, 2025 which updates the Historic Preservation Fund (HPF); and request that a motion be made by the Historic Preservation Commission (HPC) for City Council to consider the resolution for adoption.

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 extending the HPF tax of 1/8% by ballot in 2026 to continue the program.

The last comprehensive update to the HPF was in 2019 (Resolution No 17, Series 2019). 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.

DISCUSSION

At the August 18, 2025, Historic Preservation Commission (HPC) meeting, staff recommended a proposed approach for updating the grant program. Staff analyzed past projects that received grant funds between 2019 and 2025 to determine average project costs and line item costs, adjusted for inflation. Staff also conducted an inflation analysis and used the national building cost index (5%) to calculate proposed grant increases. Proposed grant increases were calculated adding 5% to base grant limit amounts, plus an additional 10% incentive for each category (excluding HSAs). A new tiered approach was presented, as well as other recommended changes (Attachment No. 1). The HPC was supportive of the presented approach and provided additional direction for staff to incorporate into the draft resolution and general process improvements:

- Ensure that the new structural grant language is clear.
- Limit payment of the new structural grant to foundation of historic home only (not new foundation).
- Consider increased amounts for Tier 2, structural grant, and top end of inflation categories (calculated through to 2028).
- Add more clarification and “teeth” for Exceptional Circumstances language.

- For income qualified applicants, include all assets and income sources to determine eligibility (not just annual income).

Summary
Draft Resolution No. XX, 2025, incorporates the direction received by the HPC and is presented in Attachment No. 2. A summary of the key changes from the previous Resolution No. 17, Series 2019 are as follows:

1. Updated grant limits for residential and commercial properties to the amounts presented in Table 7 and Table 8 of the August 18, 2025, staff report (Attachment No. 1).

2. New structural grant category for residential properties that require extra stabilization and foundation work that exceeds Tier 1 base grant amounts, as justified by an approved Historic Structure Assessment (HSA).

3. Amended the *Extraordinary Circumstances* language to the following definition:

   These grant limitations described above may be exceeded upon a showing of extraordinary circumstances that preserve, restore and maintain 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. Vital structural work and code-related work of sensitive and limited systems update are eligible for extraordinary circumstances that exceed Tier 1 grant amounts if identified in an approved HSA.

4. Added a cap (i.e. maximum amount) to extraordinary circumstance requests:
   a. $22,300 for residential properties
   b. $80,000 for commercial properties

5. Added a new Exceptional Circumstances category to provide flexibility for residential and commercial properties in rare cases that may exceed the new proposed caps on extraordinary circumstances. These projects must meet all of the following criteria:
   a. Demonstrate exceptional architectural style or social history contributing to the historic fabric of Louisville; and
   b. Demonstrate exceptional uniqueness in the City; and
   c. HPF funds are available, after taking into consideration other priorities and obligations (including encumbered funds).

6. Added an income qualifier for households that are at or 120% below Area Median Income (AMI) for property owners to:
   a. access grants and loans for maintenance purposes; and

b. request a cash match waiver of up to 50% for matching grant types

Note: staff will use processes and criteria for deed restricted programs established by the United States Department of Housing and Urban Development (“HUD”) to consider all income sources and assets in determining income qualification.

7. Continue the revolving loan program with no proposed changes.
8. Automatically set Contingency/Emergency Reserve Fund to 25% of the previous years’ sales tax.
9. Maintain the deadline for requesting grants (36 months after landmarking) and reimbursement (60 months).

STAFF RECOMMENDATION

Staff recommends that the HPC approve Resolution XX, Series 2025, recommending to City Council adoption of the proposed resolution updating the Historic Preservation Fund incentives. Staff would present the updated resolution to City Council as early as the December 16, 2025, City Council meeting.

ALTERNATIVES

1. Recommend approval of the updated funding resolution as drafted.
    a. Provide staff direction on edits to the updated funding resolution if changes are desired.

ATTACHMENTS

1. August 18, 2025, Staff Report – Grant Program Code Update
2. Resolution No. 12, Series 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.

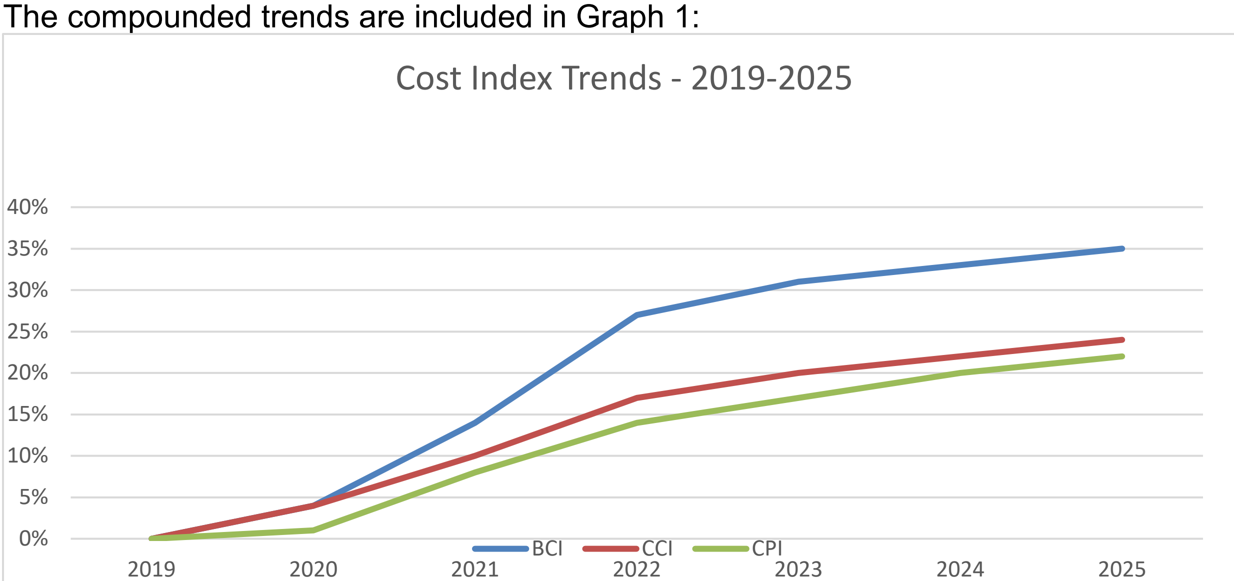
Table 8: Summary of Recent Commercial Project Costs (Not Landmarked)					
Year	**Address/Description**	**Total Project Cost**	**Inflation adjusted**	**Approved Matching Grant**	**Inflation Adjusted Matching Grant**
2025	947 Pine (Birdie Bar) *728 sq ft addition*	$1,417,000	$1,417,000	N/A	N/A
2019	824 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. 12
SERIES 2015

A RESOLUTION MAKING FINDINGS AND RECOMMENDATIONS REGARDING UPDATES TO THE HISTORIC PRESERVATION FUND

WHEREAS, there has been submitted to the Louisville Historic Preservation Commission (HPC) a Resolution modifying and increasing incentives utilizing the Historic Preservation Fund.

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 Ballot Issue 2D to levy a permanent use tax of 3.50%, which superseded 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 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, by Ordinance No. 1544, Series 2008, and Ordinance No. 1743, Series 2017, the City Council 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, Resolution No. 20, Series 2009, Resolution No. 20, Series 2010, Resolution No. 2, Series 2012, and Resolution No. 2, Series 2014, the City Council adopted provisions related to the administration and uses of the 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, by Resolution No. 4, Series 2014, and Resolution No. 21, Series 2016, the City Council established a revolving loan program within the HPF to encourage landmark designations and rehabilitation of historic properties in the City of Louisville; and

WHEREAS, by Resolution No. 17, Series 2019, the City Council combined all previously-adopted incentives into a single resolution and increased certain incentives; and

WHEREAS, by Resolution No. 24, Series 2025, the amounts available for Historic Structure Assessment (HSA) grants were increased from $4,000 to $7,500 for residential properties and from $9,000 to $10,000 for commercial properties; and

WHEREAS, a core value of the City's Comprehensive Plan is promotion and preservation of the City's history and cultural heritage, particularly the City's mining and agricultural past; and

WHEREAS, increasing incentives for historic preservations will promote and strengthen another core value of the City's Comprehensive Plan, which is to promote of unique commercial areas and distinctive neighborhoods, recognizing the diversity of commercial areas and neighborhoods by establishing customized policy and tools to ensure that each maintains its individual character, economic vitality, and livable structures; and

WHEREAS, the Historic Preservation Commission desires to increase the maximum amounts of certain Historic Preservation.

NOW, THEREFORE, BE IT RESOLVED BY THE HISTORIC PRESERVATION COMMISSION OF THE CITY OF LOUISVILLE, COLORADO:

1. The Historic Preservation Commission recommends the City Council approve Resolution XX, Series 2025 in the attached Exhibit A.

PASSED AND ADOPTED this _____ day of _____ _____.

____
Lynda Haley, Chairperson

RESOLUTION NO. XX
SERIES 2025

A RESOLUTION MODIFYING AND INCREASING INCENTIVES UTILIZING THE HISTORIC PRESERVATION FUND

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 Ballot Issue 2D to levy a permanent use tax of 3.50%, which superseded 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 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, by Ordinance No. 1544, Series 2008, and Ordinance No. 1743, Series 2017, the City Council 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, Resolution No. 20, Series 2009, Resolution No. 20, Series 2010, Resolution No. 2, Series 2012, and Resolution No. 2, Series 2014, the City Council adopted provisions related to the administration and uses of the 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, by Resolution No. 4, Series 2014, and Resolution No. 21, Series 2016, the City Council established a revolving loan program within the HPF to encourage landmark designations and rehabilitation of historic properties in the City of Louisville; and

WHEREAS, by Resolution No. 17, Series 2019, the City Council combined all previously adopted incentives into a single resolution and increased certain incentives; and

WHEREAS, by Resolution No. 25, Series 2025, the amounts available for Historic Structure Assessment (HSA) grants were increased from $4,000 to $7,500 for residential properties and from $9,000 to $10,000 for commercial properties; and

WHEREAS, a core value of the City's Comprehensive Plan is promotion and preservation of the City's history and cultural heritage, particularly the City's mining and agricultural past; and

WHEREAS, increasing incentives for historic preservations will promote and strengthen another core value of the City's Comprehensive Plan, which is to promote unique commercial areas and distinctive neighborhoods, recognizing the diversity of commercial areas and neighborhoods by establishing customized policy and tools to ensure that each maintains its individual character, economic vitality, and livable structures; and

WHEREAS, the City Council desires to increase the maximum amounts of certain Historic Preservation incentives to best serve the City's core values, as set forth herein.

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

<u>**Section 1.**</u> **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 be 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 annually submit to the City Council an annual workplan 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. Acquisitions Funds; and

v. Incentives for Historic Preservation, to Preserve Character, and for New Construction, including grants and loans.

<u>Section 2.</u> 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.**

On an annual basis twenty-five percent (25%) of the previous year's 1/8% sales tax revenue shall be set as the Contingency/Emergency 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.**

Each year 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 transferred from the HPF to the City's General Fund to be used for 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, the City Council shall consider the financial risk, but the 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 therefore, 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.

<u>Section 6.</u> Grant program to conduct Historic Structure Assessments (HSAs) 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, or approval of grants for preserving, restoring, rehabilitating, or protecting a landmark property, the property will undergo a historic structure assessment (HSA) 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, an HSA grant will not be issued. If probable cause is found by the Commission, the owner of the property shall be eligible for a Historic Structure Assessment (HSA) grant in an amount up to $7,500 for residential properties and $10,000 for commercial properties. Such grants shall be used solely to offset a portion or all of the cost of conducting the HSA. A finding of probable cause is solely for purposes of action on the HSA grant request and does not guarantee any outcome at subsequent hearings by the Commission or City Council.

b. The maximum grant amounts may be increased up to $10,000 for residential properties and $15,000 for commercial properties upon a demonstration by the applicant that the additional grant amount is needed due to extraordinary circumstances relating to building size, condition, architectural details, or other unique conditions compared to similar Louisville properties.

c. All grants are approved subject to the City's HSA process. The HSA shall be conducted by qualified consultants that are approved by the City prior to commencing the assessment. The primary consultant must be an architect licensed in the State of Colorado, and unless waived by the Historic Preservation Commission for good cause, a structural engineer licensed in the State of Colorado must contribute to all pertinent parts of the assessment. Qualified consultants in other specialty areas, such as mechanical and electrical systems, should be utilized as needed for a thorough and complete assessment. The primary consultant must have significant experience in the field of historic preservation and must be familiar with and able to apply The Secretary of the Interior's Standards for the Treatment of Historic Properties.

d. The City shall establish minimum standards and scopes of work for assessments and make such available to the consultants prior to commencing the assessment. The City shall be provided with a copy of any completed assessment for which grant funds are awarded and verify that the assessment meets the established standards and follows the scope of work prior to providing reimbursement of the grant funds awarded.

e. An exception to the requirement for an HSA prior to landmarking or the establishment of a conservation easement may be granted by the Commission for good cause.

Section 7. Qualifying Work for Grant and Loan Programs.

Grants and loans may be approved for any of the following categories of work; 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.

d. **Maintenance** is the act or process of maintaining or preserving the form, features, and characters of a property as existing at the time of the work to maintain its historic character and condition. Approved work is limited to exterior work.

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

a. For a period of 36 months from when a property is declared a landmark pursuant to Chapter 15.36 of the Louisville Municipal Code or from the establishment of a conservation easement, the owner of the property may be eligible for a grant from the HPF in the amount set forth in Table 1 for residential structures and Table 2 for commercial structures.

b. The landmarking bonus is an unmatched incentive grant. Owners of a landmarked property will be eligible for this grant following the signing of the landmark and grant agreements. Except for applicants whose household income is at or below 120% Area Median Income ("AMI"), as calculated by the United States Department of Housing and Urban Development ("HUD") ("Income Qualified Applicants") who have applied for grant funds to perform maintenance, the remaining grants 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 HSA and deemed eligible for a grant from the HPF. Income Qualified Applicants will not be required to provide matching funds or approved in-kind services for maintenance work. Eligible work will fall under the preservation, rehabilitation, or restoration, and maintenance for Income Qualified Applicants, categories as described above.

d. Applicants must complete the work covered by any grants and submit their reimbursement requests within 60 months of the landmark declaration or the establishment of a conservation easement. 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 shall be forwarded to the full Commission for consideration at a public meeting.

Table 1: Residential Grant Amounts	
Type	**Amount**
Residential Landmark Incentive	$7,700
Tier 1	
Residential (Matching)	$62,000
Additional Structural Funds (Matching)	$20,000
New Construction (Matching)	$23,000
(Tier 1 Subtotal)	*$105,000*
Tier 2	
Extraordinary Circumstances (Maximum Amount; Matching)	$22,300
(Tier 1 + Tier 2 Subtotal)	*$127,300*
Tier 3	
Exceptional Circumstances (Matching)	No limit if criteria met
Total Grant Funds Available Per Residential Property*	**$136,000⁺**

* Total includes landmark incentive

⁺ Plus unlimited exceptional circumstances matching grant under Tier 3

+Total excludes HSA grant.

Table 2: Commercial Grant Amounts	
Type	**Amount**
Commercial Landmark Incentive	$77,000
Tier 1	
Commercial (Matching)	$232,000
New Commercial Construction (Matching)	$111,000
(Tier 1 Subtotal)	*$343,000*
Tier 2	
Extraordinary Circumstances (Maximum Amount; Matching)	$80,000
(Tier 1 + Tier 2 Subtotal)	*$423,000*
Tier 3	
Exceptional Circumstances (Matching)	No limit if criteria met
Total Grant Funds Available Per Commercial Property*	**$500,000+**
OR	
Conservation Easement	**$77,000**

* Total includes landmark incentive
+ Plus unlimited exceptional circumstances matching grant under Tier 3
+ Total excludes HSA grant.

e. For purposes of Table 1 and Table 2, "extraordinary circumstances" shall mean additional grant funds are appropriate to:

i. 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 additional grant funds, would be replaced by new materials; or

ii. Pay for vital structural work and building code compliance-related work that exceed Tier 1 grant amounts, if identified in an approved HSA.

f. For purposes of Table 1 and Table 2, “exceptional circumstances” must meet all of the following criteria:

i. Demonstrate exceptional architectural style or social history contributing to the historic fabric of Louisville; and

ii. Demonstrate exceptional uniqueness in the City; and

iii. Demonstrate that, without the additional grant funds, the project is not financially viable; and

iv. HPF funds are available, after taking into consideration other priorities and obligations (including encumbered funds).

Section 9. Residential new construction grants.

Owners of landmarked property or property with an established conservation easement on which additions to existing residential structures are proposed are eligible for matching grants as set forth in Section 8, Table 1 for new residential construction that, beyond mandatory requirements, substantially limits mass, scale, and number of stories, preserves setbacks in a manner that 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 10. Residential Structural Grant.

Residential properties that require extensive stabilization work that exceeds Tier 1 funding amounts as set forth in Section 8, Table 1 may apply for additional funds for structural work. The condition warranting additional funds must be detailed/justified in an approved Historic Structure Assessment (HSA). Eligibility is for the historic home only and not foundation or stabilization work for new construction.

Section 11. Commercial new construction grants.

Owners of landmarked property or property with an established conservation easement on which new commercial structures or additions to existing commercial structures are proposed are eligible for grants as set forth in Section 8, Table 2 for new commercial construction that, beyond mandatory requirements, substantially limits mass, scale, and number of stories, preserves setbacks in a manner that, a 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 and have a floor area ratio (FAR) 20% below what is allowed by zoning.

Section 12. Time limits and procedures.

a. To be considered for incentives funding, the owner must complete an application and submit it to the Community Development Department, together with sufficient building plans, if appropriate. Applications may be submitted at any time. Applications shall initially be reviewed by City 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. Applications for incentive and grant funds must be received by the Community Development Department within 36 months of the date a property is declared a landmark pursuant to Chapter 15.36 of the Louisville Municipal Code or the establishment of a conservation easement.

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 or the establishment of a conservation easement.

c. 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.

d. 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 HSA described in Section 7 if the necessary work has changed in that time period or if the applicants are proposing work not identified in the HSA. If deemed necessary, this update will be completed at the expense of the applicant.

e. 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.

f. The Commission will review all complete 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.

g. 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 may be 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.

<u>Section 13.</u> 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 as set forth in Section 8, Table 2. These grants are available for:

i. Preserving, rehabilitating, restoring or protecting the property.

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.

iii.

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.

<u>Section 14.</u> Loans from the Revolving Loan Program.

a. 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 that 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. 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. Additionally, low-interest loans may be provided to Income Qualified Applicants for the purpose of maintaining a landmarked home.

b. The City Manager is authorized to issue requests for proposals and enter into contracts for entities to administer the loans from this program.

c. 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 implementing the Ballot Issues.

d. Complete loan request applications shall be submitted to the Community Development Department 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 at least five Council Members.

e. Loan requests applications may be submitted and considered in conjunction with grants from the HPF, 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.

f. Loans shall be at least $2,500. There is no specific loan limit, but the Commission and City Council shall consider the following in setting a loan amount:

g. HPF funds are available, after taking into consideration other priorities and obligations (including encumbered funds).

h. The necessity of the work to be performed for the preservation or rehabilitation of the structure, or maintenance of the structure for those income-qualified applicants, and how the proposed work fits into the approved HSA recommendations;

i. The availability of other funding sources.

j. 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%. 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.

k. 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.

l. 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.

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

Section 15. **Repeal and Reenactment; Effective Date.** Resolution No. 17, Series 2019 and Resolution No. 24, Series 2025 are hereby repealed.

PASSED AND ADOPTED this ____ day of ___________, 2025.

____
Christopher M. Leh, Mayor

ATTEST:

____
Genny Kline, City Clerk

ANDY JOHNSON, AIA
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From: Josh Johnston <josh@dajdesign.com>
Sent: Monday, August 18, 2025 4:42 PM
To: Jess Daniels <jdaniels@louisvilleco.gov>
Cc: Andy Johnson <andy@dajdesign.com>
Subject: Grant Program Updates

Hi Jess,

In reviewing the agenda for tonight's HPC meeting, it came to our attention that the proposed approach to the grant update is on the schedule. Unfortunately neither Andy nor I will be able to attend the meeting due to prior commitments. I would like to outline our thoughts on the proposal below. I'd also like to say that I believe you have done a great job in putting this together and the outline is both very thorough and easy to follow. We at DAJ appreciate your hard work and were actually quite impressed that you were able to put all of this together so quickly.

The first point I'd like to address is in regards to the tiered funding approach. I think that this is a good idea to help property owners understand the available funding options while at the same time giving the city a better means of estimating costs. I think that the proposed amounts within each tier could be greater based on the projects we have completed and what we are seeing with current construction costs. I do understand that our projects are at the higher end of the spectrum when it comes to overall project costs and therefore my perspective is based on that reality. Regardless, one item that I believe should be increased is the Additional Structural amount in Tier 1 for residential. I think that $20,000 can be used very quickly based on what we typically see for structural requirements and that a lesser amount may deter homeowners from addressing structural concerns.

I believe that having a new definition of extraordinary circumstances will go a long way in how Tier 2 is applied. I also understand the desire to have a cap on this amount but I believe the cap could be increased based on our experiences. My main concern with Tier 2 is the new definition of extraordinary circumstances. The way I read the definition is that replacing items such as windows, doors, and siding would not qualify for extraordinary circumstances. I believe that wholesale replacement of these items, as well as replacement of other items not listed (foundation) would put a project into this category. Based on pricing we have received on past projects, rehabilitation of these items would significantly increase the cost over replacement and that is what I believe would put a project into Tier 3. It appears to me that the goal with Tier 2 is to incentivize keeping original elements as opposed to replacing them. I think that this is a good idea knowing that most homeowners will likely choose the replacement option as it is generally less expensive and provides a better end product (more energy efficient windows for example). Therefore I believe that the extraordinary circumstances amount either needs to be increased by quite a bit or the definition revised, leaving Tier 3 for rehabilitation work.

Finally, I am not entirely sure how Tier 3 will be implemented. Keeping some flexibility for rare cases does seem like a good idea. The definitions used for this category however appear to be too subjective in my opinion. I also don't think that it allows for exceptional cases in terms of the condition of a structure and limits it to historic contribution only. I am curious what types of projects would actually qualify for this funding tier. Is this something that makes more sense for commercial projects rather than residential? Perhaps different definitions for commercial and residential under this tier could help with clarity.

Thank you for taking the time to review my comments on this agenda item. Andy and I are eager to engage with staff as this topic continues. As you know we have completed dozens of HSA's over the past several years as well as worked on several landmarking projects and therefore we are hopefully able to provide a helpful perspective on the program.

Thanks,
Josh

JOSH JOHNSTON

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