

## HISTORIC LOAN PROGRAM



The **Historic Loan Program** (HLP) provides financial assistance to owners of historic landmarks. Established in 1976 to support private investment in the restoration, rehabilitation, repair, and/or maintenance of historic properties, the HLP has benefited more than 70 Eugene properties. During the past 10 years, the HLP has loaned over \$330,000.

ELIGIBILITY	Properties are generally eligible if they are: <ul style="list-style-type: none"><li>• Located within Eugene's Urban Growth Boundary</li><li>• In the National Register of Historic Places</li><li>• Owned by an individual, non-profit, or business</li></ul>
USE OF PROCEEDS	<ul style="list-style-type: none"><li>• Restoration</li><li>• Rehabilitation</li><li>• Repair</li><li>• Maintenance</li></ul>
MATCHING FUNDS	<ul style="list-style-type: none"><li>• Generally at least 50/50 private matching funds</li></ul>
LOAN AMOUNT	<ul style="list-style-type: none"><li>• Generally between \$5,000 and \$20,000 <i>(dependant upon availability of funds)</i></li></ul>
INTEREST RATE	<ul style="list-style-type: none"><li>• Fixed for the term of the loan</li><li>• Approximately two points below the Oregon Bond 30-year rate</li></ul>
LOAN TERM	<ul style="list-style-type: none"><li>• 10 years</li></ul>
FEES	<ul style="list-style-type: none"><li>• No application fee</li><li>• 1% loan fee</li><li>• Closing costs</li></ul>
COLLATERAL	Acceptable collateral generally includes: <ul style="list-style-type: none"><li>• Real property</li></ul>

City of Eugene  
Planning & Development  
99 West 10<sup>th</sup> Ave  
Eugene, Oregon



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### FOR MORE INFORMATION:

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## **PROJECT FINANCIAL DESCRIPTION**

1. List all work items in order of priority (*attach a separate sheet if needed*):
2. Estimate the total cost of the project: \$
3. List the amount and source of matching funds (*should be at least 50% of the total project cost*):

## **SUPPORTING MATERIAL**

Attach the following information (*staff will help determine what items are required*):

- 1. Site plan, floor plan, elevations, and details depicting proposed work. Clearly distinguish existing conditions from proposed work.
- 2. Specifications if available or outline specs describing the method, materials, and quality of work to be accomplished.
- 3. Labeled photographs of affected major facades and architectural details.
- 4. Photographs that demonstrate the building's siting and relationship to neighboring structures.
- 5. Personal tax returns (previous 2 years)
- 6. Personal Financial Statement (form attached)

Have you ever filed for bankruptcy?  Yes  No

*(if you answered yes, please provide a written explanation with your application)*

## **APPLICATION AGREEMENT**

*Be sure to read the agreement before signing below*

I certify that the information in this application is true and accurate to the best of my knowledge. The repair, maintenance, or restoration work will be completed within 12 months of the date that the loan application is approved. I further certify that the structure will not be moved or demolished following the date on which the application is approved. I have read and understand the program description for the Historic Loan Program and will retain a copy for my records. I understand that this application will be used only to determine eligibility. In the event that the loan request is subsequently approved, I agree to comply with all applicable federal, state, and local laws, regulations, and policies. I authorize all references and any other sources of information pertaining to my credit worthiness contained herein to disclose such information to the City of Eugene or its agents. I further authorize the City of Eugene to provide information concerning my credit relationship to credit reporting agencies or other creditors.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_



City of Eugene  
Community Development Division  
99 West 10<sup>th</sup> Avenue  
Eugene, Oregon 97401

**Section 1.****Stocks and Bonds**

No. of Shares	Names of Securities	Cost	Market Value	Date Amount

**Section 2.****Real Estate Owned**

Address/Property Type	Name(s) on Title	Purchase Date	Original Cost	Present Value	Mortgage Balance	Payment Amount	Mortgage Status

**Section 3.****Other Assets**

Type	Name(s) on Title	Purchase Date	Original Cost	Present Value	Note Balance	Payment Amount	Due Date

**Section 4.****Notes Payable to Banks and Others**

Name & Address of Noteholder	Original Balance	Current Balance	Payment Amount	Terms (Monthly, etc.)	Security/ Collateral and value

**Section 5.****Unpaid Taxes**

Type	Original Balance	Current Balance	Payment Amount	Due Date

**Section 6.**

**Other Liabilities**

Name & Address of Noteholder	Type (Credit card, etc.)	Original Balance	Current Balance	Payment Amount	Terms (Monthly, etc.)	Security/ Collateral

The City of Eugene is authorized to make all inquiries deemed necessary to verify the accuracy of the statements made herein and to determine my/our creditworthiness. I/we certify the above and the statements contained in the schedules herein are a true and accurate statement of my/our financial condition as of the date stated herein. This statement is given for the purpose of inducing the City of Eugene to grant a loan as requested in the application to the individual or business whose name appears herein:

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Signature

Social Security Number

Date

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Signature

Social Security Number

Date

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**FOR OFFICE USE ONLY**

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Referencing Business Name



# HISTORIC LOAN PROGRAM APPLICATION

## Personal Financial Statement

Financial Condition as of \_\_\_\_\_ 20 \_\_\_\_\_

Applicant/Guarantor	Home Phone	Work Phone
Co-Applicant/Co-Guarantor	Home Phone	Work Phone
Residence Address	City	State Zip

*(Double click to open spreadsheet if you are completing this application in Word)*

ASSETS		LIABILITIES	
Cash on hand (savings, checking, etc.)	\$	Accounts Payable (credit cards, etc.)	\$
Retirement (IRA, 401K, other)	\$	Notes Payable (Describe in Section 4)	\$
Accounts & Notes Receivable (Describe in Section 3)	\$	Loans on Life Insurance	\$
Life Insurance (Cash surrender value)	\$	Mortgages on Real Estate (Describe in Section 4)	\$
Stocks & Bonds (Describe in Section 1)	\$	Unpaid Taxes (Describe in Section 5)	\$
Real Estate (Describe in Section 2)	\$	Other Liabilities (Describe in Section 6)	\$
Automobiles (present value)	\$		
Other Assets (Describe in Section 3)	\$		
		<b>TOTAL LIABILITIES</b>	\$ -
		<b>Net Worth (Liabilities - Assets)</b>	\$ -
<b>TOTAL ASSETS</b>	\$ -	<b>TOTAL LIABILITIES + NET WORTH</b>	\$ -

### EMPLOYMENT AND INCOME

APPLICANT/GUARANTOR	CO-APPLICANT/CO-GUARANTOR
Annual Salary	Annual Salary
Employer	Employer
Occupation	Occupation
Number of Years	Number of Years
Other income (Describe*)	Other Income (Describe*)

\*Description of Other Income \_\_\_\_\_  
*(Alimony and child support need not be disclosed in "Other Income" unless it is desired not to have such payments included in annual salary)*

**FOR OFFICE USE ONLY**

The following has been verified to determine preliminary eligibility of the property and proposed work:

1. The property is a City Historic Landmark and/or listed on the National Register of Historic Places.
2. The proposed work is necessary to preserve the historically significant features of the property and will be subjected to the City's historic alteration application review process, as required.
3. The proposed work meets other applicable guidelines for the Historic Loan Program.

NOTE: No financial eligibility determination has occurred.

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Planning Staff Signature

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Date

# Proposed Historic Loan Program Guidelines

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## **PROGRAM DESCRIPTION**

The City of Eugene's Historic Loan Program (HLP) is designed to leverage private investment in the restoration, rehabilitation, repair, and/or maintenance of historic properties. Established in 1976, the HLP is a public financing revolving loan program.

Funds for this program are available through the City of Eugene. Applications are accepted and reviewed throughout the year. Approval of a loan request is determined in part by the availability of funds.

## **ELIGIBILITY**

All City Landmark or National Register properties within the City of Eugene are eligible for the HLP. Other properties may be eligible under special circumstances upon approval by the Loan Committee or the Historic Review Board. Properties may be residential or commercial in use. Funds may be used for restoration, rehabilitation, repair, and/or maintenance. Proposed work must be completed in entirety but can sometimes be part of an ongoing project. Proposed work must go through the City's historic alteration review process for historic Landmarks, if deemed appropriate, and meet the Secretary of Interior's Standards for Rehabilitation.

## **PROGRAM TERMS**

The following terms of the HLP are intended to provide additional flexibility over conventional lending programs to accommodate and adapt to the changing needs of historic property owners. Therefore, the City Manager or his/her designee has the authority and discretion to alter, amend, waive, or otherwise make an exception to any of the following terms.

### **Matching Funds**

Loans are approved on a matching fund basis with a minimum of 1:1 ratio of private to public funds for loans made to businesses or individuals. The owner must provide proof of available matching funds. Depending on the scope of the project, the borrower may be required to help fund the project beyond the minimum leverage requirement.

### **Amount**

The loan amount minimum is \$5,000 and maximum is \$20,000.

### **Rate**

The interest rate is fixed for the term of 10-years with equal monthly payments. Loans may be amortized over a longer period if authorized by the City Manager or his/her designee.

### **Term**

The loan term is generally a maximum of 10-years with equal monthly payments. Loans may be amortized over a longer period if authorized by the City Manager or his/her designee.

### **Collateral**

All City loans will be secured with collateral appropriate to the loan request. Security will usually consist of liens against real property and may include personal assets of the borrower.

### **Fees**

Borrowers will pay a 1% loan fee and applicable recording fees. There is no application fee.

### **Disbursements**

Funds will be disbursed only for completed work over no more than twelve months unless otherwise determined on an individual basis. As portions of the work are completed, progress payments may be

requested. Contractors may use their own billing forms. The City will hold 10% of the loan amount until the final inspection is complete. Matching funds contributed by the owner must be spent prior to the City disbursing its loan funds.

The Historic Loan Advisor will process payment requests for work completed. An owner cannot be reimbursed for purchase of tools. All payment requests must specify what work has been completed and what amount is being requested in detail acceptable to the City. The City cannot pay for stored materials, they must be installed. Payment to the contractor may be requested as often as every two weeks and is subject to satisfactory inspection by the Historic Preservation staff.

The owner must authorize each payment of loan proceeds to a contractor or supplier. This is usually done by making the owner co-payee on the check. The check is given to the owner. By endorsing the check and giving it to the contractor, the owner certifies that the work is completed to his/her satisfaction. Final payment on the construction will be disbursed only after the Historic Loan Advisor and Historic Preservation Staff have completed a final inspection and the contractor has provided a release of construction liens.

### **Non-Transferability**

The City's loan may not be assumed in any property or business transaction. If the property is sold or transferred in any manner, the City's loan will be immediately due and payable.

## **PROJECT PREFERENCE CRITERIA**

The Secretary of the Interior's Standards for Rehabilitation will be used to review restoration, rehabilitation, repair, and maintenance for proposed HLP projects. A copy of the Standards and assistance in meeting the Standards can be obtained from the City Planning Division. Projects will be evaluated on the following criteria:

1. Level of need to accomplish proposed work (40% weight factor)

HIGH PRIORITY – *Urgent need, eminent threat, or rapid deterioration.*

These are situations where the building or site will be demolished or the significant historic features will be severely damaged if the work is not accomplished.

MEDIUM PRIORITY – *Basic needs and restoration of historic features.*

Repair and maintenance items which would prevent further damage to the property such as roof and gutter repair, painting, foundation work, and repair of deteriorated architectural features. The restoration of missing historic features require accurate replication of composition, design, texture, and other visual qualities substantiated by original historic plans, photographs, or other physical evidence.

LOW PRIORITY

The Standards recognize that changes that have taken place over time are evidence of the history and development of the building/site and its environment and may have acquired significance in their own right and therefore shall not be removed. In cases where the addition or alteration clearly detracts from the building/site's historic integrity, however, removal should meet the Standards.

2. Visibility (25% weight factor)

Priority will be given to those properties that are highly visible due to their location, accessibility, or notoriety.

3. Community Interest (25% weight factor)

Priority will be given to those properties where a high degree of community interest exists or may be generated.

4. Impact on the retention & maintenance of other historic property (10% weight factor)

Priority will be given where it is determined that the proposed project will have a particularly positive influence on the potential retention of other threatened or poorly maintained historic property in the neighborhood area.

## **LOAN COMMITTEE**

The Loan Committee reviews all loan proposals prior to final approval. The three-member staff committee ensures that all loans meet a public purpose and are likely to be rapid. The Committee is comprised of the Community Development Division Grants Manager and Division Manager and the Planning and Development Executive Director.

## **APPLICATION PROCESS**

The processing time for a loan depends on the project. Generally, the processing time for a complete application is three to five weeks. The following is a summary of the steps in the review process:

1. Pre-development conference with Historic Preservation staff to determine eligibility. Historic Preservation staff will inspect the property to understand the proposed work.
2. Applicant submits a completed HLP application to the Planning Division including project and financial information. If required, a Historic Alteration Application is also submitted.
3. Planning Division staff reviews the package to finalize eligibility of the applicant and recommends approval or denial to the Loan Committee.
4. Community Development Division staff reviews the financial eligibility of the applicant and recommends approval or denial to the Loan Committee.
5. If approved, the Community Development division prepares loan documentation and disburses funds as work progresses.
6. Staff visit project site to ensure conformance.
7. Final disbursement made.

## **MISCELLANEOUS**

### **Bidding**

Before a loan is approved, the applicant must obtain bids for the proposed work from at least two contractors. If these bids vary greatly, then another bid is recommended. Any contractor(s) performing work on the project must be licensed and bonded for the type of work planned. The city reserves the right to deny the use of a contractor. The property owner must have a written contract with the contractor prior to starting the work. Borrowers are not allowed to perform their own work on projects unless they hold current registration with the State of Oregon as a General Contractor. Exceptions to this requirement will be considered following discussion with Historic Preservation staff. If the owner is serving as the general contractor, s/he must also submit a complete list of materials needed and their cost and the amount and cost of any labor that will be hired. The owner must have a written contract with all subcontractors. Reasonable overhead and profit cost may be deemed as eligible program costs if the owner is a professional contractor.

The City also requires having building permit and plans approved before the loan application is granted final approval. The City's Building and Permit Services Division could require additional items which would increase the cost of the work. The Historic Preservation Staff and Loan Advisor will help with the entire process, but it is ultimately the owner's responsibility to seek bids and/or materials and their costs.

### **Public Record Statute**

The City will seek to maintain confidentiality of the loan application materials. Records maintained by the City concerning loan applications including information submitted by or on behalf of the applicant are subject to Oregon's Public Records Statute (ORS 192.410 et seq). This law provides for disclosure of public records unless specifically exempted by statute or, in some cases, by the City's determination.

### **Other Requirements**

Loan recipients must comply with all applicable local and State laws. All loan recipients located in the flood plain are required to maintain adequate insurance coverage from a company authorized to write such insurance in Oregon.

### **Progress Inspections**

Work done with HLP funds often requires a building permit. All of the work done must be inspected by the Historic Loan Advisor and Historic Preservation staff, and some of the work may be inspected by a City building inspector, as required. Obtaining the necessary building permits and inspections is the responsibility of the property owner and general contractor. When an owner or contractor requests payments, the Historic Loan Advisor must certify that the requested amount is reasonable for the work properly completed. The Historic Loan Advisor must also certify that the remaining funds will be sufficient to complete the work yet to be done. If they are not, optional work may have to be deleted.

### **Failure to Comply**

Failure to comply with any applicable program guidelines or local and state laws will constitute a breach of the Historic Loan Agreement. Such a breach will result in City action to recover moneys determined to have been spent on ineligible projects or activities.

### **Conflict of Interest**

If an applicant is a City employee, s/he may have a conflict of interest which would make her/him ineligible to receive HLP funds. Historic Preservation Staff will advise in such instances.

## **Questions**

Planning Division: 541-682-5377

Historic Loan Advisor: Amanda Nobel, 541-682-5535