

Sanford Downtown/Waterfront Community Redevelopment Agency

**“Sanford’s Rehabilitation Loan
Subsidy Program – A New Direction
in Community Redevelopment”**

Bob Tunis

Economic Development Director

City of Sanford FL



SANFORD FLORIDA



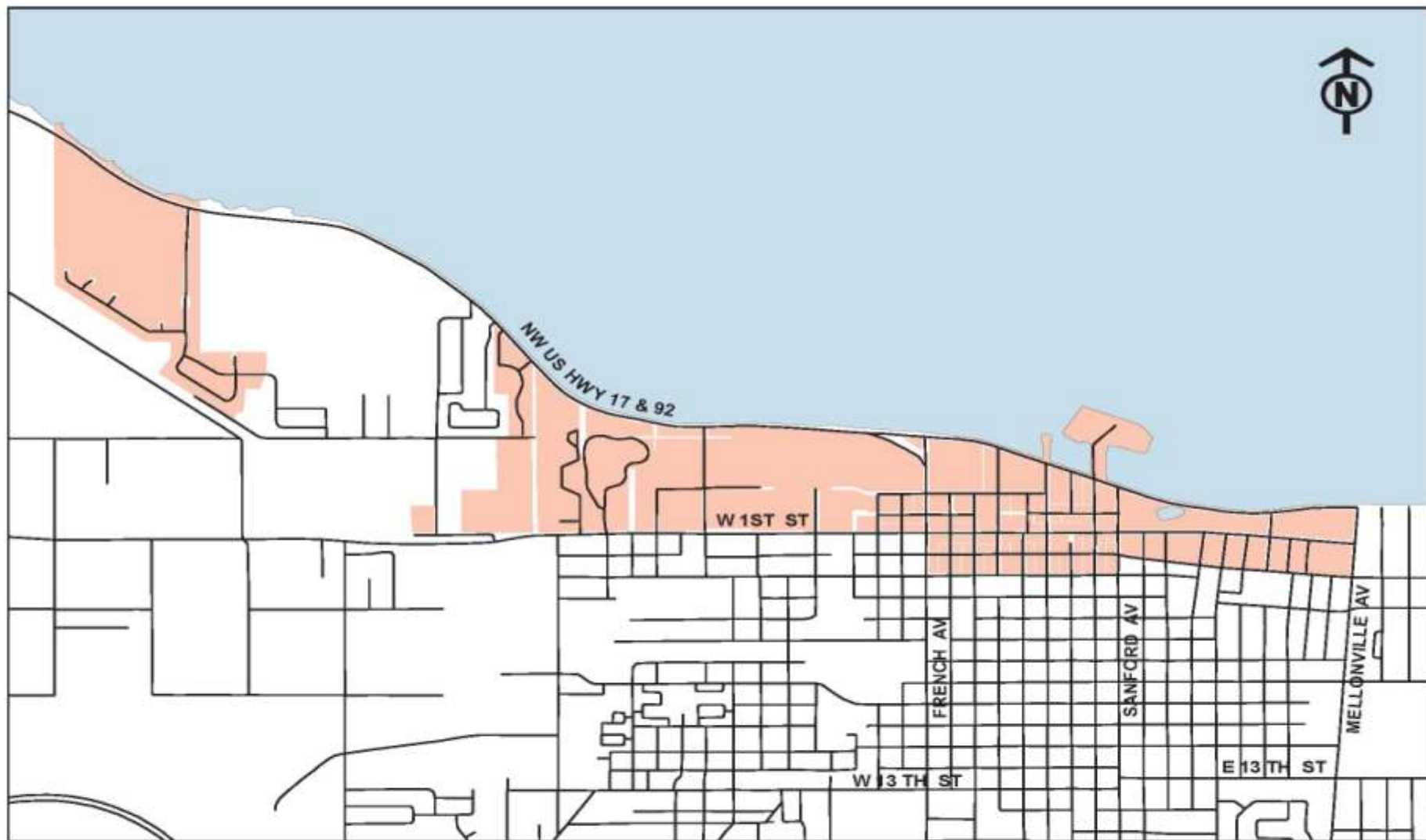
Sanford Florida

- **20 Minutes from Orlando**
- **Population : 55,000**
- **Established 1877**
- **Third busiest airport in Florida**
- **90% of downtown buildings built before 1920 still intact**



Sanford CRA

- **Created in 1995, expires in 2015**
- **Approximately 2 square miles, covers downtown Sanford and Waterfront**
- **Annual Revenue: \$1.4 million**



CRA Boundary

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0 875 1,750 3,500 5,250 7,000 Feet

Current CRA







Current CRA Activities

- **Infrastructure: 70%**
- **Grants: 20%**
- **Promotions: 5%**

Problems

- **Development of privately owned buildings has not followed public improvements**
- **Deteriorating buildings have hindered commercial development**
- **Balance priorities between Historic Preservation and Economic Development**

Rehabilitation Interest Subsidy Program

- A cash grant that pays down the interest on a 20 year renovation loan to 1%
- (Offers the equivalent of an approx. 35% subsidy)
- Loans up to \$300,000 eligible
- Paid in full at loan closing, usually into an escrow account
- Secured by a lien reduced by 10% per year and forgiven after 10 years

Criteria

- Will attract potentially successful business that will generate new commercial activity
- Renovation will diversify retail/commercial mix
- Renovation will revitalize area
- Must own property

Example

- Owner wishes to rehabilitate structure at cost of \$150,000
- Market rate loan available at 6.5% over 20 years
- City offers loan subsidy of \$57,450 (6.5% - 1% = 5.5% interest difference amortized over twenty years)
- \$57,450 lien is held on property reduced by 1/120 each month for 10 years

Modifications

- **Original Ordinance did not cover all situations**
- **Non-traditional loans, joint ownership**
- **Interest only Loans without fixed terms**
- **Revised Ordinance allowed for flexibility, computing grant to equivalent 20 year payouts on non-traditional loans**

Ramifications

- **CRA retreat required to think through scenarios**
- **What if:**
 - A building owner renovates his building without the prospect of an immediate tenant or business to be created.
 - An existing building with an operating business is renovated to increase its historic integrity and to allow operation of an alternate or additional business with a higher return and greater job creation.
 - A building is renovated to resolve code enforcement issues with no business or job being created.
 - A single loan is advanced for a business operating in two buildings operated by a partnership. One building is owned by a partner, the other is leased.
 - A historic building is renovated by a non-profit with no business anticipated and no public access to be allowed.
 - A building with no historic value is renovated allowing a business to operate creating numerous jobs.

Results

- Ordinance passed December 2008
- Three grants approved totaling \$275,000 :
Dance Studio in historic Sanford Opera Building, Magnolia Market store and 115 West retail Development
- Program funded at \$500,000 and renewed for FY 2009-2010