

# PROJECT APPLICATION FORM – 2012 DRAFT

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**Applicant: Town of Acton Historic District Commission**

**Submission Date: 11/2/11**

**Applicant's Address, Phone Number and Email**

*Historic District Commission  
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**Purpose: Historic Preservation**

**Town Committee (if applicable): Historic District Commission**

**Project Name: Preservation Loan**

**Amount Requested: \$ 150,000**

**Project Summary:**

The purpose of this revolving loan program (Preservation Fund) is to encourage preservation of architecturally significant structures in the town of Acton, MA. The program will be based on a successful program in Arlington, MA that has been in existence since 1984. Through these favorable loans, the Fund will encourage the preservation or restoration of appropriate exterior architectural details for both residential and commercial building projects. This revolving fund will be administered by the Historic District Commission and a local bank.

Primarily, loans will involve buildings in the Town of Acton's Historic Districts, the area cataloged in any of the Historical Commission's surveys, the National Register Multiple Resource Listing, or other buildings or structures which are otherwise deemed significant by the Historic District Commission and/or Historical Commission. If funding were more limited, priority will be given to buildings in the districts.

Once a preliminary application is received, it will be forwarded to the HDC for review, and then discussed at a regular meeting. Approved loan requests will then be forwarded to the Selectmen who have veto power. Once the HDC receives word that the veto has not been exercised, the applicant will be sent a final application, as required by Massachusetts's law. After this is signed and received, the HDC will arrange an appointment for the execution of the necessary documents, and thereafter a check is issued. A small sign will discretely installed at the property while the project is underway, indicating the historic nature of the restoration assisted by the Fund.

**Project Description:**

In Acton, there are three historic districts: South Acton, West Acton and Acton Center. Each is administered by the Historic District Commission according to the Rules and Regulations set forth in Massachusetts General Laws, Chapter 40C, and Chapter P of the By-Laws of the Town of Acton as enacted at Special Town Meeting in 1990 by near unanimous vote. These districts were established to preserve the architectural significance and distinctive character of these neighborhoods. Properties within the Historic Districts carry a special distinction because of their protected status, which enhances the value of both the property and community in which it is located.

However, there are no incentives or deterrents to keep buildings in the Historic Districts from being slowly destroyed by neglect or those outside the districts from being demolished after a delay. Several structures in the districts have been demolished within the last five years due to long term neglect and several others await that fate as they continue to deteriorate. In order to preserve these irreplaceable structures for future generations, the HDC

is seeking to establish a fund for low or no interest loans (in cases of demonstrated hardship) to home owners seeking to maintain and preserve their homes. This program is open to anyone whose building qualifies; however, it particularly serves low to moderate and fixed income homeowners who struggle to maintain their existing dwellings or who might not otherwise consider a historic home due to maintenance issues. Any exterior repairs or features (such as windows) funded by the program will be approved by the HDC. The public benefit of the Fund include higher property values, improving the overall appearance and conditions of the districts, possibly leading to opportunities for cultural tourism, enhanced civic pride and most importantly, assurance that these buildings- which are a tangible link with Acton's cultural history- will exist for future generations. The Historic District Commission is also considering bringing forward a Minimal Maintenance or Demolition-by-Neglect By-Law for Town Meeting 2013. A loan program is a first step and is a necessary counterpart for enforcement. If successful, a more punitive By-Law may not be needed at all.

### **The Loan**

The Fund will be overseen and administered by a local bank, who will oversee disbursement. The HDC is currently seeking a local bank to partner with. Approved loans will typically be used for the repair or restoration- not maintenance- of elements most essential to the architectural character of the building, such as duplication of deteriorated columns, repairing slate roofs, or replacing synthetic siding with wood clapboards or shingles. Loans may be for as long as ten years, but will be also available on a three-year and five-year amortizations, with the latter being the most typical. On occasion, the HDC may approve a large, short-term loan. Monthly amortization of principal and interest will be based on one-half of the prime rate as of January 1 of the year of the loan.

Loans of \$7,500 or less do not require a mortgage; however, a preservation restriction is required on the areas of work for twice the length of the loan unless the property is located in one of Acton's Historic Districts and a lien will be placed on the property to secure performance and repayment. Loans of more than \$7500 will require a mortgage, lien, and preservation restriction as described above.

No attorney's fees, points, credit report fees, or appraisal fees are charged, but applicants are required to pay for recording fees at the Registry and a loan processing fee of 1/2 of 1% of the loan or \$50, whichever is more, to defray administrative expenses.

### **The Process**

All preliminary applications will be reviewed by the HDC, and those that are approved will be forwarded to the Board of Selectmen for review. After approval, Massachusetts law requires that a final application be signed and returned prior to closing and issuance of a check. The overall process is fairly simple and averages about 2 months' time for completion. Whether or not a loan is under \$7500 (no mortgage required) or more than \$7500 (mortgage required, a performance lien will be placed on the title of the property and then discharged upon repayment and satisfactory completion of the project.

The Fund will not discriminate on the basis of race, sex, color, creed, ethnic origin, marital status, or age.

Loans are on a five or three year basis, with monthly amortization of principal and interest. The 2012 interest rate will be one-half of the current prime rate as of January 1. Loans of \$7,500 or less will not require a mortgage; however, unless the property is located in a Chapter 40C Historic District, a preservation restriction is required on the areas of work for twice the length of the loan, an Internal Revenue Service requirement. No attorney's fees, points, credit report fees, or appraisal fees are charged, but we do require that the applicant pay for a recording at the Registry of Deeds (\$25), and a loan processing fee of 1% of the loan or \$50, whichever is more, to help defray administrative expenses.

Because of guidelines on how CPC funding may be used to benefit the community, the Fund would not make loans for projects that are primarily for maintenance. Such projects would include painting or asphalt roof repair as opposed to restoration work such as wood column repair/replacement, slate roof repair, or the removal of synthetic sidings. The Fund cannot make loans for repainting. Sometimes the Fund can assist with a part of a restoration project, in which case the Fund will support those aspects which can be seen by the public visibility and are most essential to the character of the building.

**Estimated Date for Commencement of Project: April 2012**

**Estimated Date for Completion of Project: Ongoing**