

# ARKANSAS REGISTER

FILED

## Transmittal Sheet



NOV 10 1994

W. J. "BILL" McCUEN  
SECRETARY OF STATE  
BY \_\_\_\_\_

W.J. "Bill" McCuen  
Secretary of State  
State Capitol  
Little Rock, Arkansas 72201-1094

For Office  
Use Only:

Effective Date 11/30/94 Code Number 012.02.94--001

Name of Agency Arkansas Historic Preservation Program

Department Department of Arkansas Heritage

Contact Person Ken Grunewald Telephone 324-9885

Statutory Authority for Promulgating Rules Section 5b & c  
Arkansas Act 156 1993

Intended Effective Date		Date
	Legal Notice Published	<u>9/18/94 - 9/25/94</u>
<input type="checkbox"/> Emergency	Final Date for Public Comment	<u>10/17/94</u>
<input checked="" type="checkbox"/> 20 Days After Filing	Filed With Legislative Council	<u>10/17/94</u>
	Reviewed by Legislative Council	<u>11/03/94</u>
<input type="checkbox"/> Other	Adopted by State Agency	<u>12/01/94</u>

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance With Act 434 of 1967 As Amended.

  
\_\_\_\_\_  
SIGNATURE

Deputy Director, Arkansas Historic Preservation Program

TITLE

11/4/94

DATE

QUESTIONNAIRE  
ON PROPOSED ADMINISTRATIVE RULES  
WHETHER NEW, AMENDATORY OR REPEALING

012.02.94--001  
**FILED**

FROM: Department of Arkansas Heritage  
AGENCY: Arkansas Historic Preservation Program  
DIVISION: Ken Grunewald  
CONTACT PERSON: 1500 Tower Bldg., 323 Center, L.R., AR  
ADDRESS: 324-9356  
PHONE NUMBER: 324-9356

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W. J. "BILL" McCUEN  
SECRETARY OF STATE  
BY: Leave Blank

INSTRUCTIONS

- Make copies of this form for future use.
- Answer each question completely using layman's language. Use additional sheets if necessary.
- If you have a method of indexing your rules, give the proposed citation after "SHORT TITLE OF THIS RULE" below.
- Submit three (3) copies of this questionnaire attached to the front of three (3) copies of your proposed rule to:

ATTENTION: Donna Davis  
Subcommittee on Administrative Rules and Regulations  
Arkansas Legislative Council  
Room 315, State Capitol  
Little Rock, AR 72201

=====

SHORT TITLE OF THIS RULE \_\_\_\_\_

- What is the subject of the proposed rule?  
Regulations governing the application of the Arkansas Historic Preservation Program's low-interest Historic Preservation Loan Fund
- Will this be a new rule or repeal or amend an existing rule? If it is an amendment, state specifically what is amended.  
New
- What State or Federal law or regulation grants the authority for this proposed rule?  
Section 5b and C of Arkansas Act 156 1993
- What is the purpose of this proposed rule? Why is it necessary?  
#1 To aid in the preservation of properties listed in the Arkansas Register of Historic Places by providing low-interest loans to registered property owners  
#2 To ensure equal access to available Historic Preservation Loan Funds, accountability for all such funds, and compliance with legislative intent
- Will this proposed rule be controversial? If yes, explain nature of controversy.  
No

(OVER):

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\* FAILURE TO COMPLETELY ANSWER ALL QUESTIONS COULD RESULT IN PROCESSING DELAYS \*  
\*\*\*\*\*

6. What is the financial impact of this proposed rule? Initially \$150,000 of AHPP money, matched 2 to 1 by four geographically distributed banks around the state, will be made available under this loan program.
7. Will a public hearing be held on this proposed rule? If yes, state the date, time and location of such hearing. If no, state the date the public comment period ends. No. Public comment period ends October 17, 1994

8. What is the proposed effective date of this proposed rule? December 1, 1994

9. Give the names, addresses and phone numbers of all persons, groups, organizations, etc., interested in or affected by this proposed rule and the position taken by each.

Categorize them according to the following:

- (A) Those you contacted.  
 (B) Those who contacted you.  
 (C) Those whom you anticipate will participate in the public hearing.

NAMES, ADDRESSES & PHONE NUMBERS	CATEGORY	FOR	AGAINST
The fact that the draft regulations for this loan program had been drafted was advertised in the Arkansas Democrat Gazette for seven consecutive days. These ads solicited public comment and offered to send a copy of the draft regulations to anyone requesting one.			

SARRQ

REVISED: 2-17-88

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 \* FAILURE TO COMPLETELY ANSWER ALL QUESTIONS COULD RESULT IN PROCESSING DELAYS \*  
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## **REGULATIONS GOVERNING APPLICATION TO THE HISTORIC PRESERVATION LOAN FUND**

### **GENERAL**

By authority of Section 5b and c of Arkansas Act 156 1993, the Arkansas Historic Preservation Program (AHPP) adopts these regulations to create a low-interest historic preservation loan fund. The purpose of the regulations is to ensure equal access to available Historic Preservation Loan funds, accountability for all such funds, and compliance with legislative intent. The purpose of the loan fund is to preserve properties listed in the Arkansas Register of Historic Places by providing low-interest loans to registered property owners.

### **ELIGIBILITY**

Properties eligible for Historic Preservation Loan funds must, at a minimum be listed or eligible for listing on the Arkansas Register of Historic Places, either individually or as a significant part of a historic district. (NOTE\*: all properties listed on the National Register of Historic Places in Arkansas are automatically listed in the Arkansas Register of Historic Places.) To be eligible, borrowers must be sole owners, joint owners, owner in partnerships, or corporate owners of registered properties.

Costs of architectural, design, engineering and planning services, project inspection, restoration, rehabilitation, archeological data recovery, repair, and costs of code work are eligible. Borrowers may not apply any Historic Preservation Loan funds to legal costs or fiscal agents' fees, nor may borrowers apply any funds contributed to the Loan Pool by the State of Arkansas to the acquisition of property or the refinancing of a previous acquisition. Funds from other sources may be applied to such costs however. Work which has already been completed is not eligible.

In addition, borrowers must agree to carry out some rehabilitation of the facade of the structure where appropriate; must agree to complete the proposed rehabilitation, repair or restoration work on the property within two years or less from the date of project loan approval by the lending institution; and must agree to donate a conservation easement on the property to AHPP prior release of funds or initiation of the project.

## **DEPOSITS WITH LENDING INSTITUTIONS**

AHPP will contract with one or more lending institutions to establish a program of historic preservation loans. Each contract will specify the dollar amount of State funds being made available to the lending institution, rate of interest to be earned by such funds, the period of availability of such funds to the lending institutions and to borrowers, the percentage of any given loan to be constituted by State funds, and the collateral security interest to be held by the State. The contract will designate the financial institution as the State's agent and will state in detail the respective responsibilities of the financial institution, the State, and any other participating or funding organization. The contract will define loan eligibility and explain the method of review and selection of loan applicants.

AHPP or the participating bank may apply funds repaid to the loan pool by borrowers to costs of enforcement of borrower obligations.

## **PROCEDURES**

Applications may be obtained from AHPP or the lending institution and may be accepted at any time, however, review and approval of loans may take place on quarterly, semi-annual, or annual basis as determined by the contract between AHPP and the lending institution. The lending institution, in consultation with AHPP, shall evaluate the applications received utilizing the following primary criteria:

- a) historic significance of property
- b) impact of project on community preservation issues
- c) imminent loss? threats to property?

Other considerations, such as geographic distribution and conformance to community planning issues may also affect evaluation factors. Loan applications must include color slides, at least one of which must show a general view of the property. Applicants must, to the best of their ability, provide a proposed work schedule indicating the projected cost for each work item.

AHPP and the lending institution will set minimum and maximum loan amounts and period of repayment. Borrowers will be responsible for the cost of an appraisal, survey of the property's boundaries, title search and any other documentation costs.

## **SECURITY**

Security requirements will be established by the participating lending institution(s).

## **STANDARDS AND INSPECTIONS**

All projects supported by loans will be governed by the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings or Standards for Historic Preservation Projects if appropriate. Professional design, architectural or engineering services may be required for any project by AHPP. All plans and specifications will be approved by the State Historic Preservation Officer prior to commencement of work and to disbursement of loan funds to assure that the work meets historic preservation standards.

The Arkansas Historic Preservation Program may review work in progress at any time upon notice to the property owner and may require correction of any work not conforming to approved plans and specifications. AHPP may review completed work to ensure conformity with approved plans and specifications and with applicable standards.

## **REPORTING**

Written progress reports on loan activities may be required from recipients not less often than quarterly. Such reports will include a description of progress to date, a status report and financial summary.