Sanford Downtown/Waterfront Community Redevelopment Agency

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

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• 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
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