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COZY UP
How the Clinton Hill Co-op Balanced Its Heat


Board president Andrew Parker at the self-managed 6 South Portland Ave. co-op.

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# LANDMARKS LOANS

## A FUNDING SOURCE FOR HISTORIC BUILDINGS

BY BENDIX ANDERSON

The brownstone at 6 South Portland Avenue in Fort Greene Historic District in Brooklyn was coming apart. The front steps were crumbling, the facade was cracking, and the original cast-iron newel posts at the base of the front steps had been replaced with wooden facsimiles covered with black paint. "I removed one with my hands one day," says Andrew Parker, president of the self-managed six-unit co-op. "It was just rotted plywood."

None of the shareholders had any expertise in restoring an 1870s-vintage building. "We all have careers in different fields," Parker says. "No one has time to be onsite and play general contractor every day." The co-op also lacked the money to tackle the necessary repairs.

Another small self-managed co-op, this one at 35-45 78th Street in the Jackson Heights Historic District in Queens, faced a similar quandary. The 15-unit 1920s-vintage building needed a new roof and extensive brick repointing, and the terra-cotta cornice was crumbling. But like its Brooklyn counterpart, the co-op didn't have the cash or the expertise to repair a century-old building. "We're self-managed," says Mark Kempson, a board member. "We don't have a lot of knowledge about historic rehabilitation."

Both co-ops were rescued by a little-known source of low-interest loans: the New York Landmarks Conservancy.


Before, during, and after the newel post replacement at 6 South Portland Avenue in Fort Greene, Brooklyn.

### Step By Step

The nonprofit Landmarks Conservancy was created in 1973 to provide technical and financial assistance to owners of historic buildings. In 1982, the Historic Properties Fund became part of the conservancy after the federal government sold the massive Archive Building in Greenwich Village. Money from commercial rents in the building is one source of revenue for the Historic Properties Fund, which has provided more that $29 million in low-interest loans to more than 260 properties throughout the five boroughs.

To qualify for a loan, a building must be located in one of the city's 141 historic districts or in a neighborhood that has been deemed eligible for listing on the National Register of Historic Places. About 5 percent of the buildings in New York City meet one or both of these criteria. The fund currently has a total of $9 million in assets, and it is able to tailor loans to meet buildings' unique needs.

At 6 South Portland Avenue, for instance, the conservancy offered a 5 percent interest rate on a new $200,000 mortgage – enough to cover the full cost of the work. The loan's 15-year term is a little longer than the customary 10 years, resulting in a monthly payment that roughly matches the amount the co-op had paid for its old mortgage, which softened the sting for shareholders.

The conservancy offered more than money. Its staff guided the co-op board as it interviewed potential architects and contractors. "Our involvement is kind of unusual," says James Mahoney, project and accounting manager for the conservancy. "Most banks just hand over the money."

## How to Secure a Low-Interest Loan BY BILL MORRIS

If your building wants to apply for a low-interest loan from the New York Landmarks Conservancy's Historic Properties Fund, remember that size matters. The conservancy lends to co-ops, 1- to 4-family homes, rental buildings, and religious organizations and nonprofits.

"Generally, most of the co-ops we lend to are between 5 and 20 units," says James Mahoney, project and accounting manager for the conservancy. "We usually lend to co-ops in low- and moderate-income neighborhoods, and our loans top out at about $400,000. The term is usually 10 years."

To start the loan application process, call the Landmarks Conservancy at 212-995-5260. A staff member will determine if the building meets the eligibility requirements – it must be in a designated New York City Historic District or in a neighborhood that has been deemed eligible for listing on the National Register of Historic Places.

If the building is eligible, fund staff members will arrange a visit to review the scope of work and estimate a budget. The co-op board will fill out a loan application with the assistance of fund staff, and the application will then be presented to the fund's board of directors. If the loan is approved, the fund will issue a commitment letter.

Once the loan is closed, the fund's staff will recommend architects that the board can interview and obtain proposals for services. The chosen architect will prepare plans and specifications; if the building is in a historic district, the architect will obtain a permit from the Landmarks Preservation Commission. If necessary, the architect will also obtain a permit from the Department of Buildings. The architect and the fund staff will create a bid list of potential contractors. Once the co-op board hires a contractor and all permits are secured, the work begins and requisitions for payment are submitted by the contractor. They're certified for payment by the project architect and reviewed by fund staff.

Cornice repair work in the Jackson Heights Historic District.

With Mahoney as their guide, workers removed previous repairs and patches and brought the facade down to its original brownstone. Then they applied three coats of a stucco-like composite, the top layer a visual match to the original brownstone. "It's like a three-layer process of building up the stone," says Mahoney, who served as project manager throughout the job.

The contractors also recreated original floral details and coats of arms that had once been carved into the brownstone around the tall front door and windows but had chipped away over the years. Someone had added a carved face over the front door. "It is a little unusual," Mahoney says. "It's not an original detail, though it was there when the Fort Greene Historic District was created in 1978." In a crowning touch, the project architect arranged with a company in India to create historically accurate, cast-iron newel posts for just $8,000, including shipping. These newel posts will never turn into sawdust.

## Money Plus Guidance

The board at the Jackson Heights co-op secured a loan from the conservancy that mirrored the Brooklyn co-op's. Frustrated by what commercial banks were offering – "once we saw 6.5 percent interest, we stopped paying attention," says Kempson, the board member – the co-op turned to the conservancy and secured a 10-year, $300,000 loan at a 5 percent interest rate. At the time, the co-op did not have an underlying mortgage.

With technical assistance from the conservancy, the co-op repointed bricks and replaced the roof but then ran into a snag when it tackled the cornice. The original was made of terra cotta, and though the conservancy favors using original materials when replacing building components, the cost was more than the co-op could bear. So the new cornice was made of cheaper composite stone.

Kempson and his fellow board members are having no trouble living with this compromise. "Taking out a loan with the Landmarks Conservancy was far less expensive than the other options," he says. "Our board members don't have a lot of construction and building-maintenance expertise, and prior to this, we were at the mercy of contractors. Not only did the conservancy give us the loan, they gave us architects who are experienced working with landmarked buildings. It was nice working with them." ■