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HISTORIC DEVELOPMENT GRANT PROGRAM



Frequently Asked Questions (F.A.Q.)

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General Information

- **Where can we find more information?**

Our [website](#) has information on the program and links to the eligible property information including county tier designations, an Opportunity Zone Map, National Register, etc.

- **Is this grant different from the downtown revitalization grant?**

Yes, this is a new program and not associated with any previous TNECD or Tennessee Historical Commission programs.

If you are a municipality and have questions about how to become a CLG, please reach out at THC.CLG@tn.gov from the Certified Local Government program at the Tennessee Historical Commission. Additional information about the program can be found [here](#).

- **Are buildings located in a downtown area that are in the current TN Downtown program round (not yet complete) eligible?**

Yes

- **Will there be a way to monitor if/when the year's funding has been exhausted? And once it is, should applicants still submit, hoping for a "waiting list" scenario for future years?**

TNECD will update the website when the funding is obligated. We will accept applications for a waiting list at that time. If funding is available for applicants on the waiting list, then TNECD will notify the applicant and give them two weeks to make changes to their application or to decline being considered for the funding.

- **What size projects are preferred?**

There is no preference for the size of the project. The minimum grant amount is \$50,000 and the maximum is \$500,000. The match required is contingent upon your county tax tier. The amount of grant request and required match rate is dependent upon the current tax tier of the county where the project is located. Tier information is located [here](#).

If your project is over \$1 Million / over the maximum grant amount, TNECD recommends that you only put construction costs (no soft costs) in the contract. Those costs are easier to request for reimbursement. TNECD will work with you on this when contracting the project, but it is good to keep in mind.

- **How many buildings can be submitted per application?**

It is recommended that you submit one building per application. If you submit more than one building in a single application, the \$500,000 maximum grant amount will apply to the entire project.

- **My project involves a complex of buildings, do I submit multiple applications?**

Multiple buildings, if part of a complex, should be submitted as one application if all buildings in that complex are part of the National Register eligible property or listing.

- **Is there a limit to projects in one historic district?**

There is no limit to the number of projects in a district.

- **Can multiple building owners in the same district apply for this funding?**

Multiple business/building owners in one district can apply. We can only accept one application per building/project.

- **If a building is listed in the National Register of Historic Places Individually as well as part of a district, which do I choose?**

There is no difference in a building that is individually listed in the NR or listed as a contributing resource in a NR district. NR nominations for districts have buildings listed by contributing and non-contributing structures.

A building that is listed as **contributing** to the historic significance of a district is one which by location, design, setting, materials, workmanship, feeling and association adds to the district's sense of time and place and historic development.

A building that is listed as **non-contributing** is one that does not add to the district's sense of time and place and historic development. Also, it might be a building that the location, design, setting, materials, workmanship, feeling and association have been so altered or have so deteriorated that the overall integrity of the building has been irretrievably lost.

- **Is the program strictly first-come, first-served, or is there preference to projects that meet more than one of the second part of the criteria?**

The Program is NOT first-come, first served. There is a competitive grant review process and grantees will be notified if they received the grant once the applications are reviewed and scored.

- **Is there a sliding scale payback if building sold within five years of grant?**

TNECD is still working to determine the final answer to this question. We will notify applicants of our determination before we begin contracting. The intent of this program is to preserve historic buildings and that should be the focus of an application.

Letter of Intent Submission

- **What supporting documentation is required for submittal of the Letter of Intent?**

See Supporting Documentation section of this FAQ.

- **If I intend to pair the HDGP with the Federal Historic Tax Credit, what do I submit with the Letter of Intent?**

Please mail two (2) physical copies of the signed Part 1 application along with physical copies of the photographs to the Tennessee Historical Commission. Required documentation standards are in the Supporting Documentation section of this FAQ.

Application Submission

- **What is the difference in the letter of intent and the application?**

The letter of intent provides TNECD and the Tennessee Historical Commission time to ensure that your project is eligible, and your budget is correct. If your letter of intent is approved, then you are invited to move forward with applying. TNECD and the Tennessee Historical Commission will meet to review all the letters of intent at once to determine eligibility. A link to the application will be sent once the letter of intent is approved.

- **What supporting documentation should be included with the Application?**

See Supporting Documentation section of this FAQ.

- **How will the proposed work described in the Part 2 be evaluated?**

All proposed work is evaluated using the Secretary of the Interior's Standards for Rehabilitation (*the Standards*). Compliance with *the Standards* will be determined on the basis of the application documentation and other available information by evaluation of the property as it existed prior to the start of rehabilitation work.

The Standards apply to both interior and exterior work. The Tennessee Historical Commission reviews the entire rehabilitation project, including any attached, adjacent or related new construction on the property. Compliance with *the Standards* is based on whether the overall project meets *the Standards*.

All proposed work must meet the Secretary of the Interior's Standards for Rehabilitation (*the Standards*) and must include sufficient documentation for review. Completed projects do not meet *the Standards* until demonstrated in a Part 3 form with photographs approved by the Tennessee Historical Commission.

- **Can the application be amended after it is submitted or before it is reviewed if it has been submitted already?**

If your application has already been submitted and you know you need to make changes, please do so before the application deadline. You can resubmit your application and the latest submission will be reviewed.

We will base the date submitted on when we get the complete application. Please ensure you submit the final application without the need to make additional edits. We can ask you for additional information, but we need the final submission from you when you hit submit.

- **On the application when you ask about historic additions or alterations, do we include those to be constructed in near future? Do dates of alterations mean historic additions or alterations to be constructed in near future?**

Dates of alterations or additions mean those that have already happened.

Eligible Buildings

- **My community has local historic districts. Do those qualify?**

The program requires properties to be: 1) individually listed in the National Register of Historic Places; 2) contributing to a historic district listed in the National Register of Historic Places, or 3) eligible for listing on the National Register of Historic Places but listed prior to reimbursement.

Although it is possible for a property to have both designations, it is the National Register designation, not the local designation, that is required to proceed to the application. Properties that have been determined as eligible for the National Register of Historic Places by Tennessee Historical Commission staff may also apply but must complete the National Register listing process prior to grant reimbursement.

- **My property is not currently listed on the National Register of Historic Places. Can I still apply?**

If the property is not listed in the National Register, it must be determined eligible to participate in the program. National Register listing requires a property to be 50 years or older, retain its historic features, and be significant for its history or architecture. If not already listed, applicants should complete an Initial Information Packet found on the National Register section of the Tennessee Historical Commission's website here: (<https://www.tn.gov/historicalcommission/federal-programs/national-register/listing-process.html>). The packet and its required attachments (property history and current photographs) should be emailed to National.Register@tn.gov. Tennessee Historical Commission staff will use this information to determine if the property is eligible for listing in the National Register. If information provided is insufficient, a determination may be delayed while staff requests additional information. The Tennessee Historical Commission strongly advises unregistered applicants to begin this process early.

- **Are government-owned buildings eligible assuming they meet other requirements?**

This program is for commercial buildings, not government buildings.

If a local government is renting out the building for commercial uses, then it could be eligible.

Courthouses are eligible if they are listed on the National Register of Historic Places and are located in a Tier 3 or 4 county.

- **Are warehouses available for grant projects?**

All grant projects must be for commercial use. If a warehouse is being converted to a commercial use, that would be eligible.

- **May multiple buildings within the historic district be a part of the grant?**

Yes - If all the buildings are "contributing" as it relates to the National Register then you can submit one application for multiple buildings if they have the same owner and can be considered part of the same project. If they have different owners or would be considered different projects, they should be separate applications. The \$500,000 cap would apply to each application.

- **If the building is under contract and scheduled to close, will I need a letter from the current building owner?**

Yes. In that case, final approval for the project would not happen until the building has closed.

- **Would a NRHP Courthouse be eligible for needed repairs?**

Yes, if they are located in a Tier 3 or Tier 4 county.

- **Is a building that is owned by a local government for redevelopment into commercial purposes eligible?**

If a community is converting a building to a commercial use, then it would be eligible.

- **Could a building be within a State Park or owned by TDEC?**

If the building will have a commercial use, it could be eligible. Please contact the TNECD team to further discuss.

- **Would a Carnegie Library now being used for a Chamber of Commerce be eligible?**

If the building is income generating, it is eligible. For example, if the building is rented from the local government, then it would be eligible because it is producing income for the local government. If the building is being used rent-free and the Chamber of Commerce does not have any income-generating activities, then it would not be eligible.

- **Would a building owned by a school system qualify for the grant if it meets all other criteria?**

Not unless the school provides a commercial use. Please send additional information to make sure.

- **Are there any restrictions on use for active religious facilities?**

If the building has a commercial or job-creating use, then it could possibly qualify for the program. Please contact someone from the TNECD team to further discuss.

- **A National Register structure had to be moved to our Historic District to prevent developer demolition. The National Registry certification was lost with the move but will be re-applied for. Is it eligible?**

In this situation the building would not be eligible because it lost its National Register designation when it was moved.

- **If a developer owns two connected buildings and wants to use this grant should it be applied as one project or two? The potential occupier would be one restaurant within 80% with a small section of the building be a second business**

If the buildings are historically connected it could possibly be one project. Contact us with a map, photos (keyed to floor plan), and a floor plan for more clarification.

- **Would a church on National Register qualify for funding?**

If it is only used for religious purposes, it would not be eligible.

- **If an individual owns the church building and leases it to a church, is it eligible?**

If a congregation sells a church building to an individual/developer and they rehab the building for a compatible use (restaurant, event center, etc.), that would be eligible.

- **May a non-profit own the building?**

Yes

- **Older National Register Historic district nominations do not show contributing/non-contributing status. Is there a way to know if a property will be eligible?**

Contact national.register@tn.gov with a description of the building and current photos keyed to a basic floorplan/site plan.

Timing

- **If a project is getting started between now and the award date; would it still be eligible for the work completed between submittal date and award of the grant?**

No. The program can only reimburse expenses made during the grant contract period. Please do not begin construction before you have a signed executed contract. Then you will need to proceed with State procurement and contract guidelines.

- **When can you start a project once you have been approved or awarded the project?**

Once you have a signed executed contract.

- **If I have a non-contributing building, but can easily remove what makes it non-contributing, how long would it take to be considered contributing and therefore eligible for funding?**

The process would be that the non-contributing aspect would be addressed, then the Part 1 documentation would be submitted to the State Historic Preservation Office. That process would take approximately sixty (60) days. It is unlikely that the timeframe would allow for you to apply for funding this year before the funds are all obligated.

Funding

- **Can this be used in conjunction with LIHTC for affordable housing?**

Yes.

- **Is funding available for administration? How do we apply the 5% admin fee? Is it 5% of the total project cost or 5% of the eligible grant amount?**

Yes. Five percent (5%) of the eligible grant amount can be used for professional grant administration expenses if no developer fees will be applied to the project. These expenses should be identified and described in the budget template that is uploaded to the application. TNECD will work with you when we are developing the contract if your budget needs to be corrected.

- **Could this grant be used in conjunction with any other grant funding?**

Yes. It is intended (but not required) to be paired with the Federal Historic Tax Credit. It could also be used with other funding including USDA REAP, LIHTC, New Market Tax Credits, etc. With New Market Tax Credits (NMTC) we acknowledge that these are lengthy processes and may take a while to be awarded. We are not able to wait until you receive NMTC's so these must be obtained by the contract start date.

- **Can you be reimbursed for expenses that were incurred prior to the contract period?**

No, you are only eligible to be reimbursed for expenses incurred during the contract period.

- **Can we charge indirect costs?**

Indirect costs are not eligible.

Eligible Activities and Implementation

- **How many projects within the same building are eligible? For example, can we work on HVAC, restrooms, windows, etc.?**

The program is intended to assist the complete rehabilitation of the building. Examples include HVAC, restrooms, windows, flooring, roofing, components of central air conditioning or heating systems, plumbing and plumbing fixtures, escalators and elevators, sprinkling systems, fire escapes, ceilings, and other components related to the operation or maintenance of the building would all be considered one overall project.

- **Are there ineligible hard costs?**

Yes, this program will follow the same eligible expenses as the NPS historic tax credit program. Non-construction items like cabinetry, appliances, landscaping, sidewalks, parking lots, and fencing would not apply.

- **Will these projects have to meet Davis Bacon Wages?**

No, this a state-funded program, not a federal program.

- **If a certificate of occupancy is required, then does that mean that we cannot apply for a speculative redevelopment project? In other words, must there be an occupant that will use the facility after redeveloped?**

It is required there be a commercial use for the property before the grantee can be reimbursed.

- **Will you make provisions for sole source procurement for very specialized services such as special contractors that do repointing of bricks, etc.?**

There is a process for sole source procurement approval. TNECD will have a webinar with the grantees after they are selected to review the requirements for the grant and other grant management expectations and responsibilities.

- **How will eligible activities be approved for payment?**

This is a reimbursement grant. The funds will not be reimbursed until there is a Certificate of Occupancy and The National Park Service Part 3 application, including photographs, submitted at the end of the project to TNECD and the Tennessee Historical Commission. It will be reviewed by the Tennessee Historical Commission to ensure compliance with the Secretary of the Interior's Standards for Rehabilitation and that the activities completed were as proposed. A Request for Payment with invoices and proof of payment of those invoices will be submitted to TNECD.

Supporting Documentation

- **What Part 1 supporting documentation do I submit with the LOI?**

- **Completed NPS Part 1 form.** Examples of how to complete section located in the NPS Instructions can be obtained [here](#).
- **Photographs.** Along with your NPS Part 1 application, please include photographs and photo key. All should be labeled. A Photo Key is a site plan and floor plans with the locations where the photos were taken indicated. Photographs should be of the property as it appears before rehabilitation. Include photographs of the building's site and environment, all the building's sides, all major interior spaces and features, and representative secondary spaces and features. Typically, 25-45 photos cover it. Include areas where no work will take place.
- **Maps.** Please provide a Google or parcel location map, as well as, a map of the National Register historic district, with the building highlighted. If the application is for a complex, the application must include a map that shows each building on the property.

- **Do you have any guidance for filling out the Part 1 form?**

The Historic Development Grant Program utilizes a similar format to the Federal Historic Tax Credit Program. As such, [the instructions](#) for the federal credit offer several excellent examples of how to complete the Part 1 and 2 forms.

- **What Part 2 supporting documentation do I submit with the Application?**

- **Completed NPS Part 2 form.** Examples of how to complete sections in the Part 2 form are located within the NPS instructions that can be obtained here: <https://www.nps.gov/subjects/taxincentives/historic-preservation-certification-application.htm>
- **Photographs.** Any additional photographs not previously submitted that may further aid explanation of the existing conditions and proposed work described within the Part 2 application.
- **Architectural drawings or sketches.** Architectural drawings or sketches showing the existing conditions and the proposed rehabilitation work and any new additions or new construction. Include floor plans and where necessary, sections and elevations. Dimensions and notes must be clearly legible. Sketches may suffice for smaller projects. Drawings must be numbered and keyed to the application narrative within the Part 2 form.

- **What Part 3 supporting documentation do I submit when closing out the project for reimbursement?**

Photographs keyed to a basic floorplan and site plan of the interior and exterior of the building are required as part of the Part 3 form. Please include photographs of areas in which work did not take place. Photographs are essentially from the same locations as submitted with the Part 1 / 2 . Submitting photographs from these locations allows THC

staff to determine if work performed has met the Secretary of the Interior's Standards for Rehabilitation and the building maintains overall historic character.

Rehabilitation Concerns

The following have been identified as common areas of concern. The Guidelines for Rehabilitating Historic Buildings accompany the Secretary of the Interior's Standards for Rehabilitation and provide further guidance on these and other areas of concern. Should you have any questions concerning the application of the Standards, please email the Tennessee Historical Commission at THC.Rehab@tn.gov

- **Storefront alterations** – Justify changes to storefronts and provide photographs of the areas to be altered. Document the date of construction of the existing storefront and its condition. If a historical treatment is planned, provide the evidence on which the proposed new storefront designs are based. Owners are strongly discouraged from introducing a storefront or new design element that alters the character of the structure and its relationship with the street or that causes destruction of significant historic material.
- **New Windows** – If replacement is proposed, indicate the condition of the existing windows (sash, glazing, muntins, etc) and the reasons for replacement. Photographs must be provided as evidence of severe deterioration; provide data on the cost of repairing existing windows versus installing replacements. Owners are strongly encouraged to retain and repair historic windows.
Tinted glass often causes a change in character and may result in denial. Where replacement of existing windows appears justified by supporting documentation, and where the windows are an integral part of the building's design and character, replacement sash must match the original size, pane configuration, color, trim details, and planar and reflective qualities, and, in most cases, materials. Scaled drawings comparing the existing windows with the replacement windows must be provided.
- **Interior Floor Plan** – Removal of original walls may jeopardize the ability for the project to meet the Standards.
- **Interior Wall and Ceiling Surfaces** – Plaster must not be removed from interior walls to expose brick surfaces unless historic photographs are provided to show this was the historic finish. Damaged plaster should not be left in deteriorated condition because it imparts a ruinous appearance that is not in keeping with the historic character of the building. Damaged plaster may either be repaired or replaced/covered by drywall. However, if drywall is installed on walls, it should be thin enough so that the depth of the reveals of the door and window surrounds is not lost. Ceilings should be left at maximum height level. Pressed metal ceilings should not be installed in buildings that historically did not have such a finish.

- **Porches** – Original features, such as posts, steps, flooring, and balustrades/railings, must be preserved. If deteriorated beyond repair, the feature should be replicated. Wooden steps and porch decks may not be replaced with brick or concrete. New decorative details, such as “gingerbread” or ironwork, should not be introduced unless they replicate missing original details. Enclosing porches will not meet the Standards.
- **Floors** – Preserve wood floors. Reserve slate, marble, and tile for use in bathrooms and kitchens.
- **Mechanical Systems** – Installation of systems that cause damage to the historic building material or significantly alter the historic appearance may result in the inability for the project to meet the Standards. Ducts should be located in an attic or basement or concealed in a furr out in all finished spaces.
- **New Building Additions, Including Balconies, Porches, and Decks** – New exterior additions may alter the appearance and form of historic structures and may cause the project to not meet the Standards. Similarly, new construction, including site work, may affect the relationship of a structure to its site, change the historic landscape, or otherwise damage the historic character of the property. Balconies should not be added to storefronts unless there is physical, photographic, or other documentation to verify that a balcony was an original feature of the building.
- **Landscape Features** – Front yards should be retained as green space unless historic documentation proves otherwise. Do not create parking areas in the front yard.
- **ADA Ramp** – According to the Standards, “the goal is provide the highest level of access with the lowest level of impact.”