

Historic Development Grant Program (HDGP) FAQs

General Information

- Q. Where can we find more information?
- A. *Our website has information on the program as well as links to the eligible property information including county tier designations, an Opportunity Zone Map, National Register, etc. - <https://www.tn.gov/ecd/rural-development/historic-development-grant-program.html>*
- Q. Is this grant different from the downtown revitalization grant?
- A. *Yes, this is a new program and not associated with any previous TNECD or TN Historical Commission programs. If you have questions about how to become a CLG, please reach out at ellen.dement.hurd@tn.gov from the Certified Local Government program at the Tennessee Historical Commission.*
- Q. Are communities in the current TN Downtown program round (not yet complete) eligible?
- A. Yes
- Q. 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?
- A. *We 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.*
- Q. What size projects are preferred?
- A. *There is no preference for the size of the project. The minimum grant amount is \$5,000 (\$15,000 project) and the maximum is \$300,000. 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 located [here](#)). If your project is over \$1M / over the max grant amount, we recommend that you only put construction costs (no soft costs) in the contract. Those are easier to request reimbursement for. We will work with you on this when we are contracting the project, but it is good to keep in mind.*
- Q. How many buildings can be submitted per application?
- A. *It is recommended that you submit one building per application. If you submit more than one building in a single application, the \$300,000 maximum grant amount will apply to the entire project.*
- Q. Is there a limit to projects in one district?
- A. *There is no limit to the number of projects in a district.*
- Q. Can multiple building owners in the same district apply for this funding?
- A. *Multiple business/building owners in one district can apply. We can only accept one application per building/project.*

- Q. If a building is individually listed on the National Register of Historic Places AND is a contributing resource to a historic district that is listed on the National Register of Historic Places, which do you choose?
- A. *there is no difference in a building that is individually listed in the NR or listed as a contributing resource in a NR district.*
- Q. Is there a sliding scale payback if building sold within five years of grant?
- A. *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.*

Application Submission

- Q. What is the difference in the letter of intent and the application?
- A. *The Letter of Intent (LOI) is the 1st step in the process and provides the most basic information that ECD and the Historical Commission need to ensure the project meets program eligibility. Not every LOI submitted will be deemed eligible to apply to the program. Those meeting basic criteria will receive a notice once the of intent is approved and invited to complete the application, which is step two.*
- Q. Is there more direction on the map, photos, etc. that you are wanting? Under the Maps upload, do you prefer a Google map or a site plan?
- A. *Photos should clearly show the condition and any character-defining features of both the interior and exterior of the building. Typically, 25-45 photos should cover it. They should be labeled corresponding with exactly what is being depicted (i.e. South Elevation, mantel located in living room, etc). Both map types are acceptable. A Google or parcel location map and a map showing the location of the building within the historic district are needed. Please include cross streets on the map so the property can be easily found. A site plan and floor plans are also needed with the locations where the photos were taken indicated on them.*
- Q. Can the application be amended after it is submitted or before it is reviewed if it has been submitted already?
- A. *If your application has already been submitted and you know you need to make changes, please do so before the application deadline of July 31. You can resubmit your application and we'll use the latest submission. 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.*
- Q. 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?
- A. *Dates of alternations or additions mean those that have already happened.*

Eligible Buildings

- Q. Are government-owned buildings eligible assuming they meet other requirements?
A. *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.*
- Q. Are warehouses available for grant projects?
A. *All grant projects must be for commercial use. If a warehouse is being converted to a commercial use, that would be eligible.*
- Q. May multiple buildings within the historic district be a part of the grant?
A. *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 \$300,000 cap would apply to each application.*
- Q. If the building is under contract and scheduled to close in August, will I need a letter from the current building owner?
A. *Yes. In that case, we wouldn't give final approval for the project until the building has closed.*
- Q. Would a NRHP Courthouse be eligible for needed repairs?
A. *No. If the building is strictly a government building, it is not eligible.*
- Q. Is a building that is owned by a local government for redevelopment into commercial purposes eligible?
A. *If a community is converting a building to a commercial use, then it would be eligible. We define “commercial use” as a tenant that would be generating economic activity – a small business such as a boutique shop, cafe, real estate office, insurance agency, etc.*
- Q. Could a building be within a State Park or owned by TDEC?
A. *If the building will have a commercial use, it could be eligible. Please contact someone from the TNECD team to further discuss.*
- Q. Would a Carnegie Library now being used for a Chamber of Commerce eligible?
A. *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.*
- Q. Would a building owned by a school system qualify for the grant if it meets all other criteria?
A. *Not unless the school provides a commercial use. Contact Logan McCoy at Logan.McCoy@tn.gov to discuss further.*
- Q. Are there any restrictions on use for active religious facilities?
A. *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.*

- Q. A National Register structure had to be moved to our Historic District to prevent developer demolition. National Register certification was lost with the move but will be re-applied for. Is it eligible?
- A. *In this situation the building would not be eligible because it lost its National Register designation when it was moved.*
- Q. 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
- A. *If the buildings are historically connected it could possibly be one project. Contact us with a map, photos, and a floor plan for more clarification.*
- Q. Would a church on National Register qualify for funding?
- A. *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.*
- Q. May a non-profit own the building?
- A. Yes
- Q. Older NR Historic district nominations do not show contributing/non-contributing status. Is there a way to know if a property will be eligible?
- A. Contact national.register@tn.gov with a description of the building and current photos.

Timing

- Q. If a project is getting started between now and the fall award date; would it still be eligible for the work completed between submittal date & award of the grant?
- A. *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.*
- Q. When can you start a project once you have been approved or awarded the project?
- A. *Once you have a signed executed contract.*
- Q. 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?
- A. *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 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

- Q. Can this be used in conjunction with LIHTC for affordable housing?
A. Yes.
- Q. Is funding available for administration?
A. *Admin is eligible up to 5% if there are no developer fees*
- Q. Can we charge indirect costs?
A. *Indirect costs are not eligible.*
- Q. Could this be used in conjunction with any other grant funding?
A. 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 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.
- Q. How do we apply the 5% admin fee? Is it 5% of the total project cost or 5% of the eligible grant amount?
A. 5% of the grant amount. There is a line in the budget for that. We'll work with you on that when we are developing the contract.
- Q. Can you be reimbursed for expenses that were incurred prior to the contract period?
A. No, you are only eligible to be reimbursed for expenses incurred during the contract period.

Eligible Activities and Implementation

- Q. How many projects within the same building are eligible? For example, can we work on HVAC, restrooms, windows, etc.?
A. *The program is intended to assist the complete rehabilitation of the building. So, HVAC, restrooms, windows, flooring would all be considered one overall project*
- Q. Are there ineligible hard costs?
A. *Yes, this program will follow the same eligible expenses as the NPS historic tax credit program. Non-construction items like cabinetry, appliances, and fencing would not apply.*
- Q. Will these projects have to meet Davis Bacon Wages?
A. *No, this a state-funded program, not a federal program.*
- Q. 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?
A. *Yes, it is required that there be a commercial use for the property before the grantee can be reimbursed.*

- Q. Will you make provisions for sole source procurement for very specialized services such as special contractors that do repointing of bricks, etc.?
- A. *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.*
- Q. How will eligible activities be approved for payment?
- A. *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 form submitted at the end of the project to ECD and the Tennessee Historical Commission. It will be reviewed by the Tennessee Historic Commission to ensure that the Secretary of the Interior's Standards were followed and the project was completed as described in the Part 2. A Request for Payment with invoices and proof of payment of those invoices will be submitted to TNECD.*