Tennessee Main Street and Tennessee Downtowns
Community Development Block Grant
Façade Improvement Grant Program

GRANT CRITERIA:

Tennessee Main Street communities and communities that have participated in the Tennessee Downtowns program in Rounds 1 - 4 and have an active Design Committee are eligible for a grant from the U.S. Department of Housing and Urban Development (HUD) through the Tennessee Department of Economic and Community Development (TNECD) for commercial façade improvements. Approximately five grants of up to $100,000 will be awarded to organizations that can illustrate the need for a façade program and the ability to execute a solid design plan for the façade improvements.

The Façade Improvement Grant is reimbursable and all expenditures must take place within the timeframe of the grant period as designated by the grant contract. The grant period begins when a contract is signed and returned to TNECD which is expected to be in the fall of 2018. Applications are due August 17, 2018.

The grant applications must be submitted by the local Main Street organization, the sponsoring non-profit organization for the Tennessee Downtowns program or the city in which the improvements will be made. The contract will be between the Main Street organization or the city and TNECD.

Grantees can use up to eight (8) percent of the funding for grantee administration. Additionally, the grant requires 25% matching funds. All expenditures must be requested by reimbursement requests on official forms provided by TNECD. All applicants must illustrate the ability to manage this program.

**Note**: If your community received a Commercial Façade Grant award in 2016 or 2017, your application will be deemed ineligible, and will not be considered.

ELIGIBLE PROJECTS:

Eligible projects are exterior improvements to for-profit or non-profit commercial businesses including signage, painting, awnings, lighting, windows, doors, entryways and other approved improvements (interior improvements are not allowed). Contact TNECD with questions about other potential activities.
APPLICATION PROCESS

Public Meetings: Potential grantees are required to hold a public meeting that is advertised in the paper at least 10 days before the meeting. Additionally, applicants need to invite businesses in the area to be served. The public meeting should discuss the grant opportunity, gauge interest from the community and invite suggestions for the program and application. A copy of the advertisement and a description of the process to notify potentially impacted businesses is required as a part of the application.

Slum and Blight Designation: Each project has to meet a national objective as defined by HUD (See CDBG REQUIREMENTS section below for more information). If the prevention or elimination of slums and blight is the national objective, the city council has to pass a resolution declaring the determined area to be blighted (or, stated in another way, to meet the requirements for blight) and this will be included as a part of the application. If this has been done in the past for another application and is still valid, another resolution does not have to be passed.

Complete Application: An application should be prepared that completes the online application and contains the budget and grant payment set-up form. The application should also include the resolution(s) from the city council, photos documenting the need for the project, and “soft” commitments from property owners. These commitments can be letters of support, intention to apply statements, etc.; check with TNECD for additional options.

CDBG REQUIREMENTS

National Objective: HUD requires that all projects meet a national objective of principally benefitting persons of low and moderate income or elimination or prevention of slums and blight.

Low and Moderate Income (LMI) – The community must consist of more than 51% of people that are designated as low and moderate income. Communities that meet this requirement according to HUD include Carthage, Greenfield, Jamestown, Jefferson City, Lewisburg, Martin, Monterey, Mount Pleasant, Mountain City, Paris, Pulaski, Red Boiling Springs, Ripley, Rogersville, Savannah, Shelbyville. If a community is not included in this list, they can randomly survey residents’ incomes to see if the 51% threshold is met. If a community-wide CDBG application has been submitted in the last 2 years, those surveys could be used. Contact TNECD for more information.

Slums and Blight – For projects to qualify as aiding in the elimination of slums and blight, they must meet the following requirements:

The area must meet the definition of slum/blighted area under state (See, Tenn. Code Ann. 13-20-201) or local law and must meet A or B below:

A. At least 25% of properties throughout the area experience one or more of the following conditions:
   a. Physical deterioration of buildings of improvements;
   b. Abandonment of properties;
   c. Chronic high occupancy turnover rates or chronic high vacancy rates in commercial/industrial buildings;
   d. Significant declines in property values or abnormally low property values relative to other areas in community; or
e. Known or suspected environmental contamination

B. At least two public improvements (streets, sidewalks, water, sewer, etc.) in the area in a general state of deterioration.

The target area must be designated as blighted by the city council, and the resolution should describe how the area meets these requirements.

**Environmental Review/SHPO Clearance:** All federally funded projects must complete an Environmental Review and receive clearance from the State Historic Preservation Office (SHPO). If buildings are more than fifty years old or in an historic district, SHPO will review the proposed project before it can begin. TNECD will have training for grantees on Environmental Review and SHPO compliance.

**Davis-Bacon Wage Rates:** Any contract over $2,000 that uses CDBG dollars for construction, alteration and/or repair of public buildings or public works must pay those wage rates, fringe benefits and payments without deductions or rebates as determined by the Davis-Bacon Act to all laborers and mechanics working on the project. TNECD will have training for grantees on Davis-Bacon compliance.

**Flood Plain Projects:** Projects in the 100-year flood plain require additional review and documentation to ensure that the project should be completed with federal funding. Flood insurance is required for all structures in a flood plain that use federal funds for improvements or rehabilitation.

**Procurement:** All contractors must be competitively procured according to federal or local procurement standards, whichever are more restrictive. Minority and female contractors should be invited to bid. Davis-Bacon wage rates must be included in bid documents. Bids must be opened publicly, and minutes must be kept of the meeting. Bids should be awarded to the lowest, most responsive bidder. If a community elects not to use the lowest bidder, justification must be made to and approved by TNECD.

**Entitlement Communities:** State CDBG funds cannot be used in Entitlement communities including Bristol, Cleveland, Franklin, Jackson, Kingsport, Morristown and Murfreesboro. Entitlement communities receive funding directly from HUD; these communities are encouraged to work with their local governments to set up a façade program with their annual CDBG funds. The state and other communities can be of assistance in setting up this program.

**EVALUATION CRITERIA**

Applications will be reviewed according to the following criteria:

Project Need (35 points): Documentation of the need for the project and how it fits into a plan for downtown development. This is a chance to tell your story about why this project is important to your community.

Photos are important to show project need and points in the section are awarded based on the photos and the description of need (20 points available). Photos should be of buildings that will be part of the program as well as photos of the entire downtown area.

Address how this program will meet the design plan or design guidelines for your community, foster the design aspect of a downtown development plan, and what architectural impact the project will have on your downtown community (15 points available).
Project Impact (10 points): How will this project benefit the downtown, the community, the Tennessee Main Street or Tennessee Downtowns program, individual businesses, etc.? Will additional funds be leveraged to increase the impact of the program?

Project Plan (20 points): Describe the plan for the project including how subgrantees will be selected, how the subgrantees will be managed, how the grantee will ensure all regulations and rules are followed, etc.

Project Feasibility (10 points): Evidence that the project can begin quickly and be completed within eighteen months of contract approval and that those managing the program are qualified.

Community Support (10 points): Evidence in the application that the community is supportive of the project through leveraging of additional funds, letters of support, etc. Send a maximum of five letters from the local community and local elected officials. Letters from state representatives and state senators are not necessary.

Economic Ranking (15 points): Points will be distributed as follows: Tier 4 – 15, Tier 3 – 10, Tier 2 – 5, Tier 1 – 0

Tennessee Main Street communities will receive five (5) additional points on their application.

APPLICATION DEADLINE

Complete the online application with all attachments by 4:30 CST on August 17, 2018.

AWARD AND ANNOUNCEMENT

Façade Improvement Grant Applications will be reviewed by the staff of the Rural Development division and TNECD’s Grant Committee. All contracts will be sent directly to grantee for signature and returned to TNECD for final signatures and approvals. Contracts must be signed by all parties before work can be performed.

Communities participating in this grant program will be required to submit proper documentation of all grant expenditures. Failure to follow specified uses or accounting requirements may result in loss of program participation. All grantees will be required to attend training.

CONTACT INFORMATION

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