



## Salisbury Paul Bruhn Grant Application Guide

### **Overview**

In 2020, the National Park Service's Paul Bruhn Historic Revitalization Grants Program awarded the City of Salisbury funding to establish revitalization subgrants. Salisbury's Paul Bruhn Historic Revitalization Grants Program (SPBG) is a reimbursement grant available to property owners and/or tenants for the rehabilitation and repair of commercial or mixed-use structures within the Salisbury Historic District. The SPBG program's goal is to preserve significant cultural resources, foster economic development, and reinvigorate downtown with the creation of new commercial and residential spaces within existing buildings. The SPBG intends to fund maintenance and repair of character defining features of the historic structures, including historic windows, doors, roofs, historic storefronts, and other architectural features. Buildings must be contributing to the Salisbury Historic District to qualify. Please contact staff to discuss eligibility.

### **Available Funding**

The City of Salisbury was awarded a total of \$543,185 from the National Park Service. A total of \$500,000 is available for disbursement as grant funding. The City has made available \$100,000 for fire loop construction and extension and fire line construction.

### **Cost Share**

The SPBG program is a reimbursement grant program for substantial rehabilitations. Awarded projects will be reimbursed based on successful completion of the project, or qualified portions of the project. Non-Federal cost share is required at a ratio of at least 25:75, meaning for every \$25 of SPBG funds, the applicant must show \$75 matching funds. To qualify as a substantial rehabilitation, the total investment in the project should exceed \$100,000.

### **Estimated Number of Projects to be Awarded**

The City of Salisbury estimates awarding 3-5 grants through the competitive SPBG selection process.

### **Estimated Amount of Funding Available per Award**

The City estimates the maximum portion of the NPS funding each project could receive is \$150,000.

### **Part A Application Due Date**

The preliminary application, Part A, is due by December 31, 2020. More information on Part A applications can be found on page 5. Applicants will be notified on a rolling basis whether they are invited to proceed to the Part B Application.

## **Part B Application Due Date**

The City will invite applications for Part B from those submittals for Part A. These applications will be accepted on a rolling basis. All applications must be submitted by February 15, 2021. Applicants will be notified in the Spring of 2021.

## **Anticipated Start Date**

Projects receiving funding through SPBG may begin once funding has been secured, awards have been made, NPS review and approval of proposed plans has been completed, and all applicable permits have been issued. This includes but is not limited to zoning permits, Certificates of Appropriateness, and building permits from Rowan County.

## **Anticipated Term of the Agreement**

Agreement terms for funding projects are estimated to range between eighteen (18) months and two (2) years, depending on the negotiated project statement of work. Agreements are not effective until fully executed with signature from the City of Salisbury.

## **Grant Agreements**

As part of the National Park Service's funding, grantees will be required to enter into a grant agreement/contract with the City of Salisbury pursuant to the funded project. In addition, NPS requires that grantees place a preservation covenant/easement on the property for five (5) to (20) years, dependent on the amount of funding awarded through the SPBG program. The covenant/easement holder will be the North Carolina State Historic Preservation Office (SHPO).

## **Eligibility Information**

### **Eligible Applicants:**

In accordance with the National Historic Preservation Act as amended, 54 US §300101, this funding opportunity is limited to:

- Public Entities (except federal agencies)
- 501(C)3 Non-Profit Organizations
- Private Individuals and For-Profit Businesses

Federal agencies are not eligible to apply.

### *Eligible Applicants*

- **Public Entities:** A public entity, i.e. the state, county, or city, school district, special improvement district, agency, instrumentality, or political subdivision of the state organized pursuant to law.
- **Non-Profit Organizations:** Non-profit organizations certified by the Internal Revenue Service as tax exempt under Internal Revenue Code Section 501(c) are eligible to apply. If you are uncertain of your IRS tax status, you can call the IRS toll free at 1-877-829-5500 and ask for an affirmation letter. Public and non-profit applicants may apply on behalf of private owners or federal agencies

and are legally and financially responsible for ensuring that projects are carried out in accordance with SPBG policies, procedures, and contract requirements. The applicant's relationship with a property owner shall take the form of a legally binding contract.

- Private Individuals and For-Profit Businesses: Private individuals and for-profit businesses may apply for SPBG funding for projects involving properties other than their private residence(s).

#### *Ineligible Applicants/Properties*

- Federal Agencies: the SPBG projects may occur on federal lands only if an eligible entity, such as a friends group, serves as grant applicant and administrator.
- Private Residences: SPBG funds are not intended for home-improvement projects. While some housing developments, such as apartment buildings and residential units in commercial buildings will be considered, projects intended to restore, revitalize, or repair private individuals' residences are ineligible. If upper story residential units are created as part of the project, the applicant may reside in one of the units if at least one more unit is created for separate lease/purchase.

#### **Program Details**

##### **What does SPBG fund?**

The SPBG will provide substantial financial support to historically-sensitive rehabilitation and repair projects in the form of reimbursement grants. From a total pool of \$500,000, SPBG will grant up to \$150,000 to competitively selected projects. The SPBG supports projects that will revitalize historic commercial buildings in the Salisbury Historic District and will in turn serve as catalysts for economic stability and growth in Salisbury. All grant-funded treatments must comply with the [Secretary of the Interior's Standards for the Treatment of Historic Properties](#). All projects must follow OMB regulations in [2 CFR 200](#) and the [Historic Preservation Fund Grant Manual](#).

Applicants are required to show matching funds at a 25:75 ratio to the grant amount, meaning that for every \$25 of SPBG funding, the applicant must show \$75 in matching funds. The City anticipates awarding selected project contracts in the spring/summer of 2021, and will reimburse those selected projects based upon successful completion and inspection between the contract execution date and September 30, 2023.

The City intends to fund projects that include structural rehabilitation and façade restoration of contributing commercial structures. Examples of eligible improvements include, but are not limited to the following: window repair; façade repairs/rehabilitation; roof repairs/replacement; storefront repairs/rehabilitation; improvement to structural integrity; interior walls, doors and trim details; ADA improvements; energy efficiency improvements; floors and flooring.

Expenses that **do not qualify** for reimbursement include, but are not limited to: the cost of acquisition of the building or personal property; interest and taxes; paving and landscaping costs; domestic water and/or sewer taps; design and engineering fees; Realtor's fees; permitting fees; sales and marketing.

### **Application Requirements**

#### **Which properties can apply for SPBG funding?**

##### **Eligible Properties**

Properties considered for SPBG funding must be listed as a contributing structure to the Salisbury Historic District (1975, 1989, 2000). The property's designation or eligibility for listing must be determined by the NC SHPO through the Part I application for tax credits. Interested parties are encouraged to discuss proposed buildings prior to application for a preliminary consideration of eligibility. Properties that may already have a Part I designation are encouraged to apply.

##### **Eligible Projects**

The SPBG program seeks to fund projects that involve:

- Historic revitalization of contributing buildings in the Salisbury Historic District, including commercial building rehabilitation that meets the Secretary of Interior's Standards;
- Creation of additional upper story residential units, either as market rate or affordable housing units for long-term lease or purchase. Short term rentals, such as Airbnb, will not be permitted.
- Buildings that are currently occupied but underutilized and the proposed rehabilitation project will increase the total number of units available in the building through creation of additional commercial/residential units.

The intent of this grant is preservation. The City intends to fund projects that include structural rehabilitation and façade restoration of contributing commercial structures. Eligible persons are commercial property owners and commercial tenants. Projects funded should focus on roof repair/replacement, structural repairs, window and door restoration, and fire safety improvements. The retention and repair of historic building materials, including roofs, windows, doors, and other decorative features is recommended to the greatest extent possible. If in-kind replacement of historic material is necessary, applicants must clearly demonstrate the basis of their decision to replace the unit and to demonstrate the historical basis of their choice of replacement units.

All work must conform to the Secretary of the Interior's Standards. Projects receiving an SPBG award are also considered federal undertakings, and Section 106 and NEPA reviews will be conducted by the National Park Service staff. Projects receiving North Carolina or federal tax credits will be reviewed for conformance with the Secretary of the Interior's Standards during the tax credit review. If a project is not receiving tax credits, a Certificate of Appropriateness from the Historic Preservation Commission is required.

## **How will SPBG Applications be Evaluated (Grant Criteria)**

Both Part A and Part B SPBG applications will be scored according to the following criteria and rubric:

- Proximity to the Bell Tower Green Park
  - Within 0.10 miles – 5 points
  - Between 0.1 and 0.19 miles – 4 points
  - Between 0.2-0.29 miles – 3 points
  - Between 0.3 and 0.39 miles – 2 points
  - Between 0.4 and 0.49 miles – 1 point
  - Over 0.5 miles – 0.5 point
- Number of total units rehabilitated:
  - 1 point per residential unit rehabilitated
  - 2 points per commercial unit
- Age of Building
  - Construction between 1700-1799: 3 points
  - Construction between 1800-1899: 2 points
  - Construction after 1900: 1 point
- Fire Line Addition/Construction
  - Installation of Fire Line within building: 5 points
  - Addition to existing/Construction of Fire Loop: 10 points
- Architectural elements preserved: 1 point per element ‘system’ (all windows, doors, roof, detailing, etc.) that are defined and documented in the grant application. A system is defined as a collection of the items; for example, all of the historic windows in a building would be defined as a system, the lower façade storefront is a system, etc. A detailed architectural description plus photos of each will be required. For systems that contain multiple pieces (such as windows), a tally is required.
- Creation of Affordable Housing
  - 5 points for every unit of housing rented to a household earning 80% of the Area Median Income or less for an 8-year period.
  - New income limits are published annually by the U.S. Department of Housing and Urban Development (HUD). Income limits are calculated for different levels of Area Median Income (AMI) for geographic areas across the country by household size. Salisbury falls in the Rowan County Metropolitan Statistical Area for AMI calculations.
  - Income restrictions will be required to be filed with the Register of Deeds. Documentation reporting annual income of residents and rental documents must be furnished to the City of Salisbury on an annual basis. Failure to comply will result in zoning enforcement action and would be subject to a maximum \$250 daily fine
- Contract with Minority and Women Owned Businesses (MWBs) – 5 points

- Provision of more private funding to balance cost-matching – 1 point for every additional 10% from applicant (i.e.: 25:75 match is required; a 15:85 match would earn an additional point, a 05:95 match would earn an additional two points).

### **How do I apply for a SPBG grant?**

**SPBG has a two-part application process.**

**Part A:** Part A is a screening form on which applicants provide a broad proposal including but not limited to the following information:

1. Property owner and/or fiscal sponsor information
2. Historic and architectural information on the subject property
3. A general project description
4. A short essay that addresses the evaluation criteria listed above
5. An overview budget
6. Photographs (interior and exterior) and maps

Part A applications, available on the City's website, will be scored according to the SPBG criteria above and selected projects will be invited to submit Part B applications.

**Part B:** Applicants invited to complete Part B of the application process will provide more detailed project information that includes, but is not limited to the following information on the Part B form:

1. A detailed budget including cost estimates
2. Detailed building plans and specifications for the proposed work
3. Project feasibility, such as expected project development timeline and any tenant(s) to occupy created spaces
4. An explanation of how the project will fulfill SPBG's broader mission of economic development and creation of upper story revitalization

Applications for Part B will be scored along the grant criteria listed above. The City of Salisbury will notify all Part B applicants of the success of their application or otherwise. The City will establish grant agreements (contracts) with successful applicants.

### **Project Conditions**

SPBG funds are available through a one-time-only grant the City of Salisbury received from the National Park Service's Paul Bruhn Historic Revitalization Grants program. This federal money derives from the Historic Preservation Fund, and therefore all SPBG-funded projects must comply with the laws, rules, and regulations applicable to that funding source. These conditions are described in the [Historic Preservation Fund Grant Manual](#). In addition, all SPBG projects must comply with all North Carolina state laws, rules, and regulations associated with construction contracts, and any local policies as well.

Awarded projects will need to show that they have made a competitive selection in their choice of contractor and subcontractors. The City of Salisbury reserves the right to request copies of contracts

between awardees and their contractor and/or subcontractors. The City of Salisbury supports the selection of qualified Minority and Women Owned Businesses (MWBs).

The SPBG grant is a reimbursement grant only. When awarded projects have been completed, City staff will inspect onsite to verify that the work has been satisfactorily completed consistent with the scope of work that was presented, approved, and awarded in the Part B application. If satisfactory, staff will initiate the project close-out and award reimbursement process. As part of this process, paid invoices and documentation necessary to demonstrate final expenditures must be submitted to the City. Final expenditures means the total capital investment (total cost) of your project as well as the total cost of eligible improvements of your project. It is important to note that these are separate and distinct dollar amounts.

- The *total capital investment* includes the total investment you made in the improvement of the property, including costs that may not be eligible for reimbursement. For example, paving and landscaping costs exterior to the building are not eligible costs, but should be included in the total capital figure.
- The *total cost of eligible improvements* includes the total cost of improvements to the property that qualify for SPBG funds.

It is vitally important awardees maintain clear and well-organized documentation of expenses over the course of their project. All copies of all paid invoices and receipts shall be kept; each invoice and receipt should clearly and accurately describe the work that was completed and paid for. Each record must include itemized details of the work completed, such as "interior repairs to first floor ceiling joists, including removal and replacement of deteriorated joists, \$1,000 for labor and materials, paid." Awardees are also recommended to maintain an expense register or spreadsheet to keep track of eligible costs, especially when split among multiple contractors or subcontractors.

For projects with a residential component, it is important that the Overall Quality Standards and Preferred Amenities are complied with (Appendix A). The City will not support the production of poor quality or unfinished residential units. A high level of quality and finish are required; the units should be able to be occupied upon completion. Failing to meet these quality standards would constitute a significant concern to the City and would seriously jeopardize the overall award eligibility. The same quality standards also apply to general building rehabilitation projects.

Periodic project inspections are an important element of the City's review procedure. Periodically during construction and again upon completion, the improvements will be inspected and approved by City staff for determination of compliance with the submitted scope of work. Staff will maintain and regularly update a project inspection logbook and will submit progress reports to city management and the National Park Service over the duration of the project. The logbook and progress reports will be used by staff to document site inspections, permitting and construction activity, significant telephone or email exchanges, and other relevant activities demonstrating progress on the awarded project and compliance with the program guidelines and contract agreement.

All projects are required to have all applicable permits, including zoning, building, and water and sewer at the time construction begins. All projects must conform to the North Carolina State Building Code, the National Park Service’s Secretary of the Interior’s Standards, the Salisbury Land Development Ordinance, and the adopted Salisbury Construction Manual. Portions of projects falling outside of a tax credit project must comply with Historic District Design Standards.

**Protection of SPBG-funded Properties**

A preservation agreement or covenant with the North Carolina SHPO will be placed on properties receiving SPBG funds to protect the property from alterations that would affect its historic character. Under the covenant, review and approval of alterations that could affect the architectural appearance of the property, adversely affect the structural soundness of the property, or encroach on the open land area on the property are mandatory, and based on The Secretary of Interior’s Standards. The table below lists the type and duration of agreement based on the cumulative amount of federal funding a project is awarded.

<b><u>SPBG Grant Amount (Dollars)</u></b>	<b><u>Time Requirement</u></b>
\$1 - \$10,000	5 years – preservation agreement required
\$10,001 - \$25,000	5 years
\$25,001 -- \$50,000	10 years
\$50,001 - \$100,000	15 years
\$100,001 and above	20 years

For this program, a covenant is defined as a recorded document that is tied to the land and binds current and future owners for a specific period of time. SPBG funds may be used to pay for the processing and recording of covenants. Covenants will be recorded in the Rowan County Register of Deeds office.

**Public Acknowledgement of Funding Source, Disclaimers, Project Signs, Compliance with Federal Requirements**

In all publications, press releases, publicity, and similar materials funded by the SPBG program, a credit line should be included that reads: “This project is supported through a grant from the Paul Bruhn Historic Revitalization Grants Program as administered by the National Park Service, Department of the Interior.”

In addition, the following sentence must be included in any publication or similar material funded through this program: “This material was produced with assistance from the Paul Bruhn Historic Revitalization Grants Program, administered by the National Park Service, Department of the Interior. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the Department of the Interior.” If an awarded

project creates any printed or digital materials, such as a brochure, signage, press materials, etc. that includes the public acknowledgement of funding source should be provided to the City of Salisbury for file documentation.

Project sites must also post a temporary project sign. The City will provide the sign for display. The sign will be of a reasonable and adequate design and construction to withstand weather exposure, be of a size that can easily be read from the public right-of-way; and be accessible to the public throughout the project term.

### **American with Disabilities Act (ADA)**

All projects funded through SPBG must comply with all applicable legal requirements of the Americans with Disabilities Act (ADA). This Act provides, in part, for access by the disabled to properties and programs, including historic buildings and archaeological sites, as well as educational opportunities such as exhibits, conferences, and interpretive displays. Contrary to popular belief, historic buildings and sites are not exempt from the ADA. There may, however, be some variance allowed if the requirement is determined to negatively impact a significant feature. In this case, a conference should be scheduled with representatives from the City of Salisbury and Rowan County Building Inspections.

### **State and Federal Compliance**

All projects must comply with federal and state rules and regulations. For example, projects funded under this program constitute “undertakings” as defined by Section 106 of the National Historic Preservation Act, as amended (now located at 54 U.S.C. 306108). Accordingly, after the grant is awarded, the National Park Service will work with the grantee to complete the Section 106 and National Environmental Policy Act (NEPA) reviews. Depending on the project, additional federal reviews may be required under other laws including but not limited to the Archaeological Resources Protection Act of 1979 (ARPA), and the Native American Graves Protection and Repatriation Act (NAGPRA).

## **Appendix A**

### **Overall Quality Standards and Preferred Amenities (Rehabilitation)**

Projects will utilize the following or better finishes, materials and amenities. These guidelines are not meant to dictate style, but rather to indicate a high level of quality and finish. Other finishes not listed here may be considered as long as they are of a similar level of quality and durability. The use of sustainable materials and construction methods is both encouraged and preferred.

Examples of preferred amenities and finishes include, but are not limited to:

1. Walls/Interior: Interior should be of a “finished” quality. Materials should be exposed brick, finished plaster or finished sheetrock with baseboard, crown and door moldings as appropriate to the design of the space.
2. Floors: refinished or new installed hardwoods, cork, bamboo, laminates, floating or engineered floors, polished, stained or sealed concrete, ceramic tile or stone in baths and kitchens.
3. Countertops: Solid surface, stone, granite, sealed concrete, stainless steel, ceramic tile or high-pressure laminate.
4. Built-in appliances should be new and Energy Star-rated.
5. Windows: Windows should be repaired whenever possible and efforts made to make them as energy-efficient as possible.
6. Hardware: Faucets, cabinet hardware, and light fixtures should be either of new and higher quality or be refurbished vintage fixtures of higher quality.
7. Building: Secured entrances and off-street parking for residents, if available on-site.