

Historic Preservation and Restoration Grants

Arkansas Historic Preservation Program
Department of Arkansas Heritage

This booklet is part of the series “Grant Programs of the Arkansas Historic Preservation Program.”

The other titles in the series are:

- Certified Local Government Grants
- Preservation Education Grants
- County Courthouse Restoration Grants
- Model Business Grants
- Main Street Arkansas Downtown Revitalization Grants

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I. GENERAL INFORMATION

Purpose

The Arkansas Historic Preservation Program (AHPP) recognizes a lack of financial assistance as one of the largest obstacles to the preservation of historic resources in Arkansas. The purpose of the Historic Preservation and Restoration Grant program is to encourage and promote preservation of Arkansas's historic resources by providing financial assistance for restoration of historic properties.

Funding Source

Grants awarded by the Arkansas Historic Preservation Program (AHPP) are funded by General Revenues of the State of Arkansas and Special Revenues under the Real Estate Transfer Tax passed as Acts 729 and 818 of 1987, the Arkansas Conservation Tax established by Amendment 75, or by the National Park Service, United States Department of the Interior. All grant recipients must follow the policies and procedures of the Arkansas Historic Preservation Program, as well as regulations governing the expenditure of all state and federal funds. The regulations set forth in this manual must be strictly adhered to by both the Arkansas Historic Preservation Program and by all grant recipients.

State and Federal Regulations

All grant recipients must agree to abide by and comply with applicable state and federal regulations and policies, including Fair Labor Standards, Title VI of the Civil Rights Act of 1964 [42 USC 2000 (d)] and Section 504 of the Rehabilitation Act of 1973 [29 USC Section 794], Title IX of the Education Amendment of 1973, and the Americans with Disabilities Act of 1991, as well as all other applicable state and federal laws, regulations, and executive orders.

II. GRANTS AND ELIGIBLE PROPERTIES

The Historic Preservation Restoration Grant (HPRG) is awarded in two Option categories.

Option 1

These are grants of up to \$10,000 to fund renovation and restoration projects that make the properties eligible for nomination to the **National Register of Historic Places**.

Option 1 Eligibility: Option 1 grants are available to non-profit, local government, and private property owners. Eligible properties must be 1) listed on the Arkansas Register of Historic Places, and/or 2) identified as non-contributing structures in a National Register District. **All owners receiving**

Option 1 grant funds must agree to submit a completed National Register nomination with their final invoice.

Option 2

Grants of \$10,000 or more are available to fund **approved restoration projects for properties listed on the National Register of Historic Places.**

Option 2 Eligibility: Option 2 grants are available to non-profit and local government property owners. **PRIVATE PROPERTY OWNERS ARE NOT ELIGIBLE FOR OPTION 2 GRANT FUNDING.** Examples of eligible organizations include public and private schools, colleges and universities, libraries, museums, historical societies, local service organizations, churches, and city or county governments. Preference will be given to projects that are not eligible for other AHPP grants, such as County Courthouse Restoration Grants, Model Business Grants, Preservation Education Grants, Main Street Arkansas Downtown Revitalization Grants, or Certified Local Government Grants. **Any owner receiving Option 2 grant funds must sign and file an easement agreement with the local circuit or county clerk before grant funds are released (see page 9).**

Authorized Uses of Historic Preservation and Restoration Grants

Grants **cannot** be used for property acquisition costs or for reimbursement expenses for work done outside the grant period specified in the grant contract. Additionally, acquisition costs **cannot** be used to satisfy cash match requirements. Grants funds may be used for, but are not limited to, the following types of projects:

Option 1

- Removal of artificial exterior siding and replacement with or repair of original exterior siding.
- Removal of non-historic windows and replacement with original or replications of original windows.
- Removal of historically incorrect or inappropriate additions or modifications to the original structure, including porches, room additions, ornamentation, inappropriate roofing materials and replacements of same with historically correct materials.
- Replacement and/or reconstruction of missing historical features, including columns, porches, exterior ornamentation, chimneys, and exterior architectural details.

Option 2

- Repair or replacement of failed roofs with historically correct materials and appropriate design.
- Repair of failed foundations.

- Repair of failed structural components, i.e. joists, rafters, floors, load-bearing walls, trusses, columns, beams, etc.
- Projects to bring property into compliance with the ADA.
- Repair or replacement of failed masonry.
- Replacement or repair of failed windows with historically correct windows.
- Repair or replacement of failed mechanical, plumbing, and/or electrical systems if the existing system(s) jeopardize the integrity of the property.
- Removal of asbestos or lead paint.
- Repair and/or installation of seismic reinforcement.
- Repair, evaluation and/or protection of archeological resources.

In general, for Option 2 grant applications, highest priority is assigned to projects mitigating a threat to a structure's integrity and survival. Additionally, it should be stressed that these grants are **not** intended for general maintenance projects.

III. PREPARING THE GRANT APPLICATION

Planning the Project

An applicant for any Historic Preservation Restoration Grant must first determine the scope of the project to be funded. Historic preservation is an expensive endeavor, and most projects require careful prioritization. Tips on developing a good project include:

- **Ask an expert.** An architect can be invaluable in helping you to determine your needs and planning your project. In addition to giving an estimate of the project cost, an architect can also provide information on structural priorities and efficient scheduling. Also, feel free to contact the Historic Preservation Program if you have questions regarding project funding priorities or guidelines for rehabilitation.
- **Phase it out.** Funds for HPRG are often limited, and few applicants receive the total amount requested in their application. By dividing the project into phases, you provide a way for funding to be used effectively even if you don't get everything you requested. You can apply for more funding in the next grant cycle.

- **Know your limitations.** Administering a grant project requires time and attention to detail. Don't commit yourself or your organization to a project if you are unwilling to invest the necessary resources to complete it. In the same vein, don't commit yourself to a cash match unless you can be sure it will be in place when you sign the grant contract.

Application Packet Format

The HPRG application packet should be organized using the following format, with sections numbered accordingly:

1. **Application:** Two-page document available from AHPP, containing basic information on applicant and proposed project. Includes space for a brief (2-3 sentence) summary of the project.
2. **Detailed Project Description:** Drawings and narrative explaining how the project is to be accomplished, what materials will be used, and timeline for project. Narrative should include specific explanation of what project components will be funded by the grant.
3. **Color Photographs of Property:** Color prints of north, south, east, and west elevations of the building, along with close-up color prints of any work that is to be funded with the grant. **FAILURE TO SEND COLOR PRINTS WILL RESULT IN AUTOMATIC DISQUALIFICATION FOR THE APPLICATION. SCANNED OR DIGITAL IMAGES, BLACK AND WHITE PRINTS, OR SLIDES WILL NOT BE ACCEPTED.**
4. **Detailed Project Budget:** A line-item project budget, including material costs, labor, and architect/consultant fees. Attach a detailed estimate written by the architect or contractor. Budget should also specify which items are to be grant-funded.
5. **Letters of Commitment and Support:** Letters from project stakeholders (clients, local government officials, donors) demonstrating community and/or financial support for the project.

IV. AHPP GRANT REVIEW PROCESS

Staff Review

Grants are awarded annually. The technical staff of the AHPP reviews applications for completeness and project eligibility. The staff scores technical aspects of a project on a scale of 1 to 200 using a standard rating sheet (**see Exhibit 1**). The staff forwards the

completed rating sheet and any additional recommendations to the Historic Preservation Grants Selection Committee, consisting of the following members: 1) Director of the Arkansas Historic Preservation Program; 2) the Chairman of the State Historic Preservation Review Board, or another Board member designated by the Chairman; and 3) a Constituent at Large designated by the State Historic Preservation Officer.

Selection Criteria

The Grants Selection Committee uses the following primary criteria to evaluate proposals:

- Staff recommendations and technical scoring.
- Historic significance of property.
- Impact of project on community preservation.
- Conformity to community planning standards.
- Evidence that the objectives of the project can be achieved within the framework set forth by the applicant.
- Qualifications and experience of the applicant and contractors participating in the project.
- Interest of the applicant in undertaking the project and acquired benefits to the applicant and to the AHPP.
- Appropriateness of the budget and evidenced support for matching funds.
- Timeliness, need, and significance of the project.
- Number of other grant recipients in geographic region.
- Completeness of application. **Incomplete applications will not be considered.**

V. ADMINISTERING THE GRANT

Notification

A notification letter from the Governor of Arkansas will be sent to all grant recipients receiving HPRG funding.

Required Workshop

Grantees must attend a grant administration workshop in Little Rock at a time and location specified by the AHPP. Attendance is MANDATORY for the grant recipient or project manager. FAILURE TO ATTEND THE GRANT ADMINISTRATION WORKSHOP WILL RESULT IN CANCELLATION OF THE GRANT AWARD AND REALLOCATION OF THE FUNDS TO OTHER PROJECTS.

Cash Match

A 1:2 cash match is required for all Historic Preservation Restoration Grants (i.e., a minimum \$10,000 grant award requires a cash match of at least \$5,000).

Grant Contract

Each grantee must sign a contract with the AHPP and comply with all of its terms. The contract is included in the grant award packet.

Conservation Easement

Recipients of Option 2 grants must convey a Deed of Conservation Easement for the affected property **before** receiving any grant funds. An easement is a voluntary transfer of some rights inherent in property ownership. The historic preservation easement is a right or limitation, set forth in a legal instrument or deed, which allows the donor to retain ownership and possession of a historic property while granting a government agency or qualified non-profit organization the authority to protect the historic, cultural, architectural, or archeological characteristics of the property.

The agreement may be called a “preservation,” “conservation,” “scenic,” “interior,” “open space,” “exterior,” or “facade” easement. The name has less to do with the way the agreement works than with the kind of resource it protects.

In each instance, the “easement,” as it is legally termed, must contain binding and enforceable covenants that run with the land and structure. These covenants obligate the owner to refrain from actions that are incompatible with the preservation of and/or historic integrity of the property. The Deed of Conservation Easement document must be executed in accordance with AHPP conservation easement program procedures.

Project Technical Review

All grant-supported projects must be in accordance with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings, a copy of which is included in the award packet. **Before any grant-assisted work is done, the AHPP must review the final plans and specifications of the project to insure compliance with these standards.**

Project Time Limits

Unless otherwise authorized, all projects **must be** completed within the time period specified in the grant contract. Extensions are granted only in very special cases, and are strongly discouraged. A grantee that is unable to meet a project deadline is required to submit a written request for an extension of time **at least** 14 days prior to the deadline. This request will be reviewed by the AHPP, and the grantee will be notified as soon as possible of the action taken. A request for an extension does not guarantee it will be granted. **If the grantee does not meet the established deadline and/or does**

not request and receive an extension, the grant will be terminated on the contract end date and funds will be reallocated. A grantee who encounters serious financial problems after accepting a grant, or who is for some other reason unable to proceed with the project, should immediately inform the AHPP. The funds will then be reassigned or returned to the AHPP according to the procedures specified in this manual.

Project Review/Approval

When preparation for the project is complete, the grantee must forward project plans and specifications to the AHPP staff **before** work starts. **Failure to do so will result in denial of grant funds.** If clarification or additional information is required, the AHPP staff will contact the grantee. The AHPP will conduct a final review of all project plans and required documents. When all is in order, the AHPP Director will provide written authorization for work to begin. **Work may not begin until the grantee receives this project initiation letter.**

AHPP staff members may inspect the project before, during, and after the completion of the work. Once work has begun, the site visits may be made without notification to the grantee. An AHPP photographer may photograph the project.

The grantee and/or the project architect are encouraged to contact the AHPP with questions at any time before or during work on the project. **No changes in the project can be made after AHPP gives final approval to the plans unless such changes are submitted in writing to AHPP and approved in writing by the AHPP beforehand.** If changes are not approved, final work may not be approved and full funding for the project could be denied. In the event of unforeseen problems, the AHPP staff will work to find a solution satisfactory to both the grantee and the AHPP.

Allowable Expenses

The following is a list of some of the more frequently used allowable costs. To be considered allowable, all costs must appear in the approved work-cost breakdown.

- Historical, architectural, or archeological research necessary to implement and carry out project work.
- Architectural, engineering, or contractor fees necessary to implement and carry out project work.
- Expendable supplies and materials.
- Rental or lease of project equipment.
- Exterior restoration.
- Structural repairs.

Non-allowable Expenses

Historic Preservation and Restoration Grants **do not** reimburse the following costs:

- Any item not listed in the approved work-cost breakdown.
- Deficits.
- Contingency funds
- Contributions or donations to other organizations or individuals
- Capital expenditures defined as tangible property costing \$100 or more and having a life span of two or more years
- Entertainment expenses, including refreshments, flowers, reception costs, etc.
- Interest and other financial costs
- Lobbying expenses.
- New construction (some exceptions apply).
- Interpretive expenses (some exceptions apply).
- New pavement of parking lots, roads or walkways (some exceptions apply).
- Furnishings, draperies or carpeting.
- Work done prior to grant award and after approved grant end date.
- Installation of artificial siding, incompatible replacement windows, or the use of incompatible materials of any type.
- Real estate or property acquisition costs.

Grant Payments

Since grants are based on anticipated federal funds or state revenues and not on existing funds, **grant amounts could be reduced at any time during the grant period.**

The schedule of grant payments will depend upon the nature of the project. Grant payments will be made directly to the grantee. No payment will be made to the grantee unless payment requests are accompanied by progress or final reports as applicable. The grantee should use the following procedures:

1. No payment shall be made under this grant agreement until recipient has made a cash match expenditure at least equal to the payment requested.
2. One of the following payment options can be used:
 - a. Partial reimbursement payments upon completion of portions of the project (no more than four requests during grant period); or
 - b. One full payment upon completion of the total project.
3. Requests for partial reimbursement payments **must** include:
 - a. AHPP progress report/invoice form.
 - b. Vendor invoice(s).

4. Final payment will be processed upon approval of completed work. Request for final payment must include:
 - a. AHPP final report/invoice form.
 - b. Vendor invoice(s).
 - c. Color photographs of completed project.

A blank AHPP invoice form, progress report form, and final project report form are included in the grant award packet. Please make copies as needed.

Financial Records

Grantee shall make all finance records available for audit. Records should be kept on file by the grantee for at least three years after completion of project.

Reporting

Grantees are required to submit reports during the grant period according to the grant agreement. Progress reports are required at least quarterly and must accompany any partial payment request. A final project report is required no later than 30 days after completion of the project. This report must include certification/documentation of cash match and total project costs. Full or final payment requests must be accompanied by the final project report.

Reassignment of Funds

Occasionally during the course of the grant cycle AHPP identifies additional funds available for HPRG grants. These funds usually result from a grantee's decision to decline a grant award. When additional HPRG funds are identified, the Historic Preservation Grant Selection Committee will meet to determine the reassignment of any unused grant funds previously awarded. The funds may only be awarded to another qualified applicant with a current grant proposal on file. The Grant Selection Committee will use the same criteria to reassign these midterm funds that are used to award the initial grants.

Executive Order 98-04

All work performed with AHPP grant funds must comply with the terms of EO-98-04 (see Exhibit 2).

VI. PROJECT CONTRACTING PROCEDURES

Selection of an Architect

Grant recipients must use the services of an architect licensed by the State of Arkansas. The architect prepares plans, specifications, a work-cost breakdown, and other required contract documents for submission to AHPP, and will supervise the project. This

requirement may be waived by the AHPP under certain circumstances.

Procedures for selection of an architect are contained in Act 616 of 1989 of the State of Arkansas and should be reviewed. The major provisions of the selection process are stated here:

1. Competitive bidding for procurement of architectural services is prohibited.
2. Contracts for architectural services shall be negotiated on the basis of demonstrated competence and qualifications.
3. Select at least three (3) qualified firms based on such criteria as:
 - a. Specialized experience and technical competence;
 - b. Ability to work within required time limitations;
 - c. Past record; and
 - d. Proximity to and familiarity with the project.
4. Negotiate a satisfactory contract with the most qualified firm. (See Section 5 of Act 616 for more details on the negotiating process.)

The architect selected by the grantee is encouraged to meet with the Arkansas Historic Preservation Program staff to discuss the project in detail.

Selection of a Contractor

Procedures for selecting a contractor and requirements for contractors are contained in Act 159 of 1949 as amended and should be reviewed. The major provisions of Act 159 are:

Contractor License Requirement

1. Contractors must be licensed by the Arkansas Contractors Licensing Board on projects of \$10,000 or more. Contractors shall indicate their current license number on their bid forms.
2. On projects of less than \$10,000, licensed contractors are not required, although the AHPP highly recommends licensed contractors for all projects.
3. On projects of \$50,000 or more, the general contractor must list any roofing, plumbing, electrical and HVAC subcontractors and these subcontractors must be licensed by the Arkansas Contractors Licensing Board.

Contractor Insurance and Bonding Requirements

1. All contractors must carry construction liability and workers compensation insurance regardless of the cost of the project.
2. On projects of \$10,000 to \$19,999, contractors must furnish a 5% bid bond.

3. On projects of \$20,000 or more, contractors must furnish a 5% bid bond and a 100% performance bond.
4. Bonds shall be written in favor of the grantee. After approval by the architect, the contractor shall file the bond with the Circuit Clerk and Recorder of the county where the work is to be performed. Contractor shall obtain from the Circuit Clerk certificates as evidence that the bond has been approved and filed with the Clerk and said certificates shall be filed with the architect. The contractor shall file the premium for the required bond. The contractor must obtain the bond before the contract between the owner and the contractor can be put into effect.
5. Insurance and bonding agents must be licensed and authorized to do business in Arkansas.

Bid Procedures

Most grantees funded by this grant program must use competitive bidding to purchase goods, services, materials, and labor. Competitive sealed bidding is required for the purchase of any construction-related goods and services of \$10,000.01 or more. All procurement of construction-related products and services from \$1,000.01 to \$10,000.01 shall be done by soliciting competitive quote bids by telephone or in writing from at least three qualified vendors.

Project Specifications

Project specifications **MUST** contain the following statement:

“The Contractor is cautioned that this project involves largely RESTORATION WORK and maintaining the building in its present form is of utmost importance. The contractor shall use construction procedures calculated to protect the building. Any damage shall be repaired or replaced to present condition or better at no cost to the owner. This project involves state funds and carries the resultant obligations and restrictions.”

Invitation to Bid

For projects costing more than \$10,000.00, the grantee must seek bids by placing an advertisement once each week for at least two consecutive weeks in a publication that has general circulation in the county where the work is to be performed. Bid date must be at least one week following last advertisement. The grantee may also use additional advertising sources.

If a bid bond is required, the amount may be stated as a percentage. If the contract does not require a performance bond, the bid bond will be held until final acceptance and completion of the contract by payment in full. The advertisement shall state that the advertiser reserves the right to waive any formalities or reject any or all bids, as well as any other pertinent facts or information which may be necessary. The advertisement

shall include a general description of the goods or services to be procured; shall state where bid documents may be obtained; shall state the date, time, and place of bid opening; and shall inform bidders that state funds are being used, and that relevant regulations, restrictions and applicable laws apply.

If, having advertised for bids, no bids are received by the date of the bid closing, the grantee must advertise for the goods and/or services to be procured a second time, with a second bid closing date established in accordance with these regulations.

Bids shall be opened at the time and place designated in the public notices and the invitation for bid. When practical, the names of the bidders and the amounts of their bids may be read aloud. Except where it may be deemed impractical, due to the nature or complexity of any invitation for bids, an abstract of bids that contains the amount of each bid and the name of the bidder shall be prepared for each invitation for bids. An abstract of bids shall be retained in the bid file and shall be available for public inspection.

Competitive Negotiation

Competitive negotiation may be used if conditions are not appropriate for the use of formal advertising. In competitive negotiation, proposals are requested from a number of sources and the Request for Proposals is publicized, negotiations are normally conducted with more than one of the sources submitting offers, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. If competitive negotiation is used for procurement under a grant, the following requirements shall apply:

1. Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirement of the procurement. The Request for Proposals shall be advertised a minimum of five days statewide, and reasonable requests by other sources to compete shall be honored to the maximum extent practical. The Request for Proposals shall identify all significant evaluation factors. This identification must include the price or cost, where required, and the relative importance attached to price or cost.

The grantee shall provide mechanisms for technical evaluation of the proposals received, determinations of responsible offers for the purpose of written or oral discussions, and selection for contract award.

Award may be made to the responsible offering party whose proposal will be most advantageous to the procuring party, price and other factors considered. Unsuccessful offers should be notified promptly.

Grantees may utilize competitive negotiation procedures for procurement of architectural, engineering, archeological, and other professional services, whereby competitor's qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.

Noncompetitive Negotiation

Noncompetitive negotiation may be used when the award of a contract is not feasible under competitive bidding (formal advertising) or competitive negotiation procedures. Noncompetitive negotiation is procurement by soliciting a proposal from only one source, or after soliciting a number of sources, it becomes apparent the competition is not adequate. Circumstances under which a contract may be awarded by noncompetitive negotiation are limited to the following:

1. The item is available only from a single source.
2. Public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation.
3. After solicitation of a number of sources, competition is determined inadequate.

Single source contracts must be approved by the AHPP.

Bid Documentation

The following bid documentation is required and a copy must be provided to the AHPP:

1. Dated copies of all required advertisements.
2. Dated copies of all sealed bids received.
3. Names and addresses of all vendors contacted for quote bids.
4. Quotes from all bids.
5. Documentation of negotiations for negotiated contracts.
6. Justification for why the lowest bid was not accepted, if such was the case.

Bid Acceptance and Award

An award may be made to the lowest aggregate bidder for all items, group of items, or an individual item basis, whichever is deemed to be in the best interest of the project.

The right to reject any and all bids and to waive technicalities and minor irregularities in bids should be allowed.

After a reasonable evaluation period, the contract shall be awarded to the responsive and responsible bidder who submitted the lowest bid that meets the requirements and criteria set forth in the Invitation for Bids. If after evaluation of the bids, including consideration of any clarifying or explanatory information submitted by the bidders, it is determined that no satisfactory bid has been received, all bids may be rejected. If all bids are rejected, the grantee must re-advertise for the goods and/or services to be provided in accordance with these regulations.

EXHIBIT 1- Executive Order 98-04