

# **HERITAGE TRUST FUND PROGRAM INFORMATION**

Please read this document, the *Heritage Trust Fund Program Information* before completing an application. If you have any questions about applying, please call the Kansas State Historic Preservation Office (SHPO) at 785-272-8681, ext. 240.

## **GENERAL INFORMATION**

The Heritage Trust Fund (HTF) was created in 1990 to provide assistance for the preservation of historic properties in Kansas. It represents recognition of the efforts invested by individuals and organizations across the state to preserve these reminders of our shared history. The Heritage Trust Fund reimbursement grant has proven to be a very positive program. To date, more than fourteen million dollars have been awarded to projects in communities across the state. Through the program, the Kansas Historical Society has been given the opportunity to help communities realize their preservation goals and increase interest in their historic resources. This publication is meant to introduce you to the HTF program and its guidelines.

### **❖ Eligible Properties**

***Properties listed in the National Register of Historic Places or the Register of Historic Kansas Places, or as a contributing property in a National or State Register-listed historic district are eligible to apply.*** Often, non-historic properties (known as non-contributing properties) are located within registered historic districts. A property that is part of a National or State Register district, therefore, must be identified as a "contributing property" within the district. To confirm eligibility, contact the State Historic Preservation Office (SHPO) at 785-272-8681, ext. 240.

### **❖ Eligible Applicants**

The grant applicant must own the property. If the property has more than one owner, the applicant must provide proof of agreement of all parties with the application.

The State of Kansas or the United States federal government may not own the property.

Properties owned by for-profit corporations are only eligible for grant funds if the applicant can demonstrate that "the property's continued existence is threatened or its rehabilitation is not economically feasible without grant assistance." This threat must come from forces not within the control of the corporation, such as severe structural deterioration or governmental action. Funds will not be provided simply to make the preservation of a property more profitable for a corporate applicant.

### **❖ Eligible Activities**

All work that is undertaken must conform to the **Secretary of the Interior's Standards for the Treatment of Historic Properties**. These are referred to as the Secretary of the Interior's *Standards* throughout this text. The *Standards* are a set of guidelines used to determine whether an activity will protect the historic quality of a structure. A copy may be obtained from the SHPO or online at <http://www.nps.gov/history/hps/tps/standguide/>

The following types of preservation activities are eligible for funding through the grants program:

1. **Rehabilitation:** the act of making a property usable through repair, alterations, or additions while preserving those portions or features which convey its historical, cultural, or architectural values. Example: the upgrading of mechanical systems, kitchens and bathrooms.
2. **Restoration:** the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time. This may be accomplished by removing features from other periods of history or by reconstructing missing features from the chosen historic period. For all restoration projects, sufficient documentation must be provided to

establish the form and detail of the property or features that existed at the time to which it is being restored.

3. **Preservation:** includes those activities necessary to sustain the existing form, integrity, and materials of an historic property. Preservation activities are intended to maintain and repair historic materials and features as they now exist, rather than replace them with new materials or extensive new construction. Preservation activities frequently are directed toward halting deterioration of a site or in maintaining existing materials. Example: foundation repair or roof repair.
4. **Non-construction activities:** activities such as the preparation of reports or plans, that will be employed for the rehabilitation, restoration, or preservation of historic properties are eligible through the Heritage Trust Fund. Example: the preparation of architectural plans and contract documents; maintenance plans; and historic structures reports.

#### ❖ Ineligible Activities

The following list of activities and expenses are ineligible for funding under this program. The list does not include all ineligible activities, but indicates the types of activities and expenses that will not be considered for funding.

1. Acquisition of real or personal property.
2. Additions to a historic building or to the surrounding property.
3. Major reconstructions. For example, reconstruction of a building from photographs with new materials on an existing foundation.
4. Archeological research projects, including archeological site excavations, unless directly related to the physical preservation of a site.
5. Grant administration expenses or other indirect costs.
6. Equipment purchases, except items that are directly related to the building operation or project and specifically approved by the KSHS.
7. Costs incurred before the project starting date or after the project completion date.
8. Costs over the approved project budget.
9. Costs for work not included in the scope of work established in the project agreement. (See the HTF Terms & Conditions section below)
10. Work, which does not comply with the Secretary of the Interior's *Standards*.
11. Damage judgments arising from construction or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise.
12. Fundraising, including grant application preparation.
13. Lobbying.
14. Costs for general maintenance or utilities.
15. Construction of auxiliary structures or site work not directly related to the preservation of the historic property.
16. Interpretive exhibits or displays.
17. Demolition unless necessary for repair or preservation of the historic property (i.e. removing roofing to inspect and repair underlayment). Costs for such necessary demolition must be rolled into the budget line item for that work item (i.e. replacement of the roof) and repair work must be complete before the costs are reimbursed through the grant.
18. Relocation of structures, buildings, or objects normally would not receive funding under this program. Relocation will be funded only if all of the following criteria are met:
  - a. Relocation is necessary to preserve the historic resource; and
  - b. The relocation re-establishes the property's historic orientation, the immediate setting, and the general environment; and
  - c. The Kansas Historic Sites Board of Review determines that the property, as relocated, will continue to meet criteria for the National Register of Historic Places and/or the Register of Historic Kansas Places. **This determination must be made before application to the HTF program is made.**

### ❖ **General Funding Conditions**

Applicants receiving grants will provide at least 20% of all allowable project costs. Grants involving properties owned by for-profit corporations will be matched dollar-for-dollar (50/50) for all eligible project costs. All match claimed must be in the form of cash. Donated and indirect costs will not be accepted as a matching share. **The cash match must be available and reserved for the project no later than the November 2nd application deadline.**

Ordinarily, no HTF reimbursement grant will exceed \$90,000 or fall below \$5,000. Exceptions to these limits may be granted if there are strong extenuating circumstances. The Kansas Historic Sites Board of Review and the Executive Director of the Kansas Historical Society will consider requests for a grant award outside of these limits on a case-by-case basis.

### **HTF TERMS AND CONDITIONS**

Applicants should be aware of the following general terms and conditions pertaining to a standard HTF reimbursement grant. Copies of the *Heritage Trust Fund Grant Manual*, which provides more comprehensive details concerning the requirements and procedures of the Heritage Trust Fund, are provided to grant recipients.

### ❖ **Project Agreement**

All grant recipients must sign a Project Agreement, which defines the scope of work, schedule, reimbursement criteria (including approved budget line items), and other conditions of the grant award. The scope of work, schedule and budget are drawn from the information presented in the grant application. **No project work may begin until this project agreement is signed and the project administrator has attended a grant orientation.**

All HTF grant recipients must inform HTF staff of any significant problems, delays, or adverse conditions which might alter the scope of work or schedule of the project. Monthly progress reports are a requirement.

### ❖ **Scope of Work/Construction Activity**

All Heritage Trust Fund projects require an **approved** detailed project description (scope of work/construction activity) before they can go out to bid for a contractor. All project descriptions, plans, and specifications are subject to review by HTF staff with staff giving written approval. The project description ensures that the work meets current preservation standards, assists bidders in establishing their costs, and sets the standards by which the completed work will be assessed. All work financed by the Heritage Trust Fund must comply with the Secretary of the Interior's *Standards for the Treatment of Historic Properties* (<http://www.nps.gov/history/hps/tps/standguide/>).

The Scope of Work/Construction Activity description (Section K) submitted with the application will be used to define the activities funded by the grant if awarded. If a grant is awarded, HTF staff may determine the scope of work needs further development before bids are solicited. Specifications would then be developed, based upon the activities described in Section K of the grant application. Drawings or sketches may be required to show planned work. It is the grant recipient's responsibility to work with HTF staff to create and develop the final approved Scope of Work and to ensure that the contractor follows the approach it describes.

**\*\*See last page for an example of scope of work description for Section K of the application.**

### ❖ **Consultants (i.e. Architects/Engineers)**

Heritage Trust Fund projects also may include costs for a consultant, such as an architect or engineer. Consultants will develop full plans and specifications based upon the scope of work description. The plans and specifications may require revision before HTF staff approves them for solicitation of contractors. The consultant also will provide technical assistance and construction

administration throughout the course of the project. Grant recipients often prefer to have these responsibilities assumed by a professional though it is not necessary for all grant funded projects. The role of consultants increases in value for more complex projects.

- A consultant **is required** for projects that need thorough investigation of existing conditions and detailed designs for proper execution. Example: structural repairs or restoration of missing features.
- A consultant **is not required** for projects that do not involve major repair to the supporting structure. Example: standard roof repair (not involving structural supports) or the standard repointing of masonry walls.

*If in doubt, applicants should consult with HTF staff before application is made to determine if a consultant would be required for funding.*

Grants for non-construction activities also require consultant services. Planning grants are often requested for those projects that require extensive investigation of the property for the development of a preservation plan. Planning grants utilize consultant services alone. Whether seeking the assistance of a consultant or a qualified contractor, the procurement of professional and construction services must be carried out in a manner consistent with the HTF policies described in the project agreement (i.e. open and fair competition). Funded projects must have the scope of work description or plans and specifications approved by the KSHS prior to bidding.

#### ❖ Reimbursement

**The HTF grant program is a reimbursement grant. The grant recipient shall pay, in full, all costs of the project as they become due and payable. Progress payments or monthly billings for a percentage of the completed project are not reimbursable under this program. Due to processing costs, the minimum reimbursement request is \$5,000. This should be taken into consideration when calculating the cash flow for the project and itemizing the project budget.**

To receive reimbursement:

- Line items identified in the Project Agreement (based on those identified in the Scope of Work included with the grant application) need to be 100% complete
  - Completed physical work must be documented with photos,
  - Reimbursements cannot be made for partial work or preliminary demolition (i.e. removal of roofing materials in anticipation of a new roof. Reimbursement could only be made once the new roof was installed.)
- The work conforms to Secretary of the Interior's *Standards*,
- Completed work must correspond to line items identified in project scope of work, part of the approved budget (as listed in the Project Agreement), and covered by written contracts,
- Request is adequately documented with purchase orders, requisitions, bills, or other evidence of liability, as well as canceled checks or other evidence of expenditure.

**Mobilization fees, travel, set-up, material purchase, etc. are not considered line items for reimbursement purposes and should be incorporated into applicable work items.**

HTF staff reviews reimbursement requests and determines if work done is agreeable with all terms.

Please note: HTF will **withhold 10% (retainage)** of the grant award pending satisfactory completion of all work. The retainage will be reimbursed upon receipt of a completion report and supporting documentation.

#### ❖ Maintenance Agreement

All grant recipients must agree to maintain the grant-funded work for five years after the date of project completion. Additional work to the property must be approved by the SHPO during the five

years to ensure that it does not detract from the historic integrity of the property. Continued compliance with the Kansas Historic Preservation Statute (K.S.A. 75-2724) is also required.

#### ❖ **Ownership Agreement**

If ownership of the property is not maintained by the grant recipient (or a designated heir, in the case of the grant recipient's death) for one full year after the project is completed, the HTF grant funds must be repaid in full. For properties held between one and five years after the project is completed, the recapture amount is reduced by twenty percent per year. This provision is included in the Project Agreement.

### **APPLICATION PROCEDURE**

#### ❖ **Workshops**

Applicants are encouraged to attend a grant application workshop. The times and locations of the workshops are announced each year. Times and dates are posted on our website [www.kshs.org](http://www.kshs.org) or you may contact the SHPO at 785-272-8681, ext 240. Workshops are scheduled around the state to provide an introduction to the HTF program and grant application.

#### ❖ **Preliminary Applications**

The applicant may submit a preliminary draft (one copy) of the application to the SHPO for review by HTF staff. This is not required, but is strongly recommended. The draft must be postmarked by September 15th (the following Monday if the 15th falls on a weekend) or delivered to the office in person on that day. Staff will then review the draft and offer suggestions for improvement. The application is then returned to the applicant with staff comments. The final applications must then be submitted to the SHPO by the final deadline.

#### ❖ **Final Application**

Applications are due by November 1st (or the following Monday should the 1st fall on a weekend). Applications must be postmarked on or before this date. If the application is hand-delivered, it must be received no later than 4:30 p.m. on the day of the deadline. Electronic submissions such as facsimile transmissions or electronic mail will not be accepted.

Submit applications to: Kansas Historical Society, Historic Preservation Office, 6425 SW 6th Street, Topeka, Kansas 66615-1099. Envelopes should be marked "**Heritage Trust Fund Application**" to ensure prompt delivery to the HTF staff.

Please note - Applications are **ineligible** if they

- miss the deadline,
- are incomplete,
- do not have the required documentation, or
- do not use the official grant application forms or photocopies of those forms

#### ❖ **Application Evaluation and Selection**

Applications that meet the eligibility requirements are forwarded to an evaluation committee composed of members of the Kansas Historic Sites Board of Review (KHSBR). The committee reviews all qualified applications in the order received and discusses each project in relation to the competitive criteria identified below. Recommendations are then made for specific projects to be funded. The full KHSBR board at a regular quarterly meeting, usually in February, considers these recommendations. If approved, the board's recommendations are forwarded to the Executive Director of the Kansas Historical Society. The director then employs the recommendations of the committee to make the final selection of funded projects.

The statute that created the Heritage Trust Fund requires that at least 50% of the grant amounts awarded annually be used for the preservation of eligible properties owned by county and local governments, county and local historical societies and by private nonprofit organizations. The law further provides for consideration of geographic distribution in the evaluation of proposed grant projects. Applications are judged on merit according to the evaluation criteria listed below. An application must meet all of the qualifying criteria to be eligible for the program. Any application that fails to do so will not be considered for funding.

This is a competitive process. The KHSBR committee will make recommendations based on their review of the information submitted in each application and will compare or contrast applications against each other. Meeting all the program criteria does NOT guarantee a grant award. Funds available each year are usually much less than the funds requested and the committee must work within the budget of the overall program.

### **Competitive Criteria**

1. Historical significance of the property.
2. Condition of the property and urgency of the preservation work proposed.
3. The applicant's demonstrated need for funds.
4. Administrative ability, including personnel, facilities, and organizational structure adequate to complete the project.
5. Well-conceived project description. The most competitive applications include a project description clearly stating project activities, a reasonable construction schedule and cost estimates.
6. Community and state benefits that will be realized from the project and the continued preservation of the historic property.
7. Broad-based community support for the project, as demonstrated by letters of support attached to the grant application.

### **❖ Unfunded Applicant Appeals Process**

An unfunded applicant may appeal the decision, if the applicant believes that (1) the decision violated state law or administrative rules; (2) the decision was influenced by a conflict of interest; or (3) a change in the review and certification process was detrimental to the applicant. All appeals must be sent in writing to the State Historic Preservation Officer, Kansas Historical Society, 6425 SW 6th Street, Topeka, Kansas 66615-1099 within ten (10) working days of the announcement of the grant awards. The written appeal must describe the facts of the case, including an argument in favor of the appeal and the desired remedy. The State Historic Preservation Officer will make a written response to the petitioning party within 21 working days of receipt of a properly submitted appeal. The SHPO's decision is final and binding.

### **QUESTIONS?**

For further information, please contact the SHPO at 785-272-8681 ext. 240, or our website at <http://www.kshs.org/resource/htfinfo.htm>

