

## PRESERVATION AGREEMENTS FOR CLG REHAB GRANT PROPERTIES

Historic property owners who receive CLG or other federal rehabilitation grants must commit to preserving their properties for a period of years. The intent, of course, is to ensure that these public funds were invested wisely for the long-term preservation of the historic structures.

### **To which grant recipients does this preservation commitment apply?**

- All recipients of federal grant funds for “brick-and-mortar” rehab projects must commit to this preservation obligation, both public and private property owners, including local pass through grant programs.
- Recipients of grants for projects other than brick-and-mortar work (architectural studies, National Register nominations, etc.) do not have a preservation obligation.

### **How many years is a property owner obligated?**

- 5 years for most of the grants provided through SHPO (up to \$25,000)
- 10-50 years for larger grants, depending on the dollar amount

### **How is this preservation obligation implemented?**

- Preservation Agreements: These are simply written contracts between the property owner and the SHPO. They are used for projects receiving less than \$10,000 in grant funds.
- Covenants: These are more formal documents that are actually recorded on the deed. They are used for grant projects over \$10,000. Their basic content is the same as Preservation Agreements.
- SHPO staff conduct periodic inspections of the property, typically at 3-5 year intervals.
- CLGs assist SHPO in monitoring projects funded with CLG grants.
- Failure of a property owner to fulfill the preservation obligations may result in recapture of the grant funds.

### **How burdensome is this obligation?**

- Most property owners easily comply with this requirement because they care about their historic buildings and want to treat them well.
- SHPO inspections are very low-key, and most property owners ask for, and receive, additional preservation advice at the time of inspection.
- It is extremely rare for a grant recipient to face recapture of the funding.

### **The process for putting the Preservation Agreement in place is:**

1. When a property is selected to receive a CLG Rehab Grant, have the owner sign the Preservation Agreement along with the contract between the CLG and the owner.
2. The Preservation Agreement and a work plan summary is sent to the SHPO by the CLG.
3. SHPO staff will sign the Agreement. A fully-signed copy is then sent back to the CLG.
4. SHPO is responsible for monitoring the work and the Agreements.
5. The CLG is responsible for notifying SHPO if issues arise or changes to the property become known during the Agreement period.

If a grant for more than \$10,000 is given, or if multiple grants are given over time to the same property totaling more than \$10,000, contact SHPO for information on putting a Covenant in place.

The detailed rule can be found in NPS's Historic Preservation Fund Grants Manual, Page 69, which is on the web at: [http://www.nps.gov/history/hps/hpg/HPF/HPF\\_Manual.htm](http://www.nps.gov/history/hps/hpg/HPF/HPF_Manual.htm).