

Grants for Historic Building Restoration

To promote the restoration of vacant buildings in its historic downtown, the city of Sherman, Texas (35,000), developed the Historic Building Restoration and Improvement Program for the Central Business District. The program provides grants of up to \$25,000 for substantial, visible, and permanent improvements to existing historically significant commercial buildings.

Leadership/Staffing

The program was developed by city council and is managed by the city manager's office. The city manager's assistant reviews all applications and city council decides whether to approve the application.

Timeline

City council developed the idea for the program at its fiscal year 2005-2006 budget workshop in July 2005. Applications are accepted throughout the year.

Budget/funding

The city allocated \$50,000 for the program's first year, and plans to add \$50,000 to the funding pool each year as long as the program is successful. The funds come from the city's hotel and motel occupancy taxes. The grants are subject to a 4:1 match; that is, for every dollar in grant funds provided, the recipient must contribute \$4 toward building improvements.

Program description

The program is open to owners of historic buildings within the downtown improvement area that are used for commercial, retail, service, or professional purposes. To be eligible, buildings must have historical significance due to their architectural features or histories.

Improvements must be permanent and consistent with the city's master plan, zoning ordinance, building regulations, and other laws. Types of eligible improvements include commercial code compliance renovations, permanent commercial interior remodeling improvements, permanent exterior improvements, work needed to bring the structure up to life-safety code standards, and installation of permanently affixed landscaping.

Building owners submit a five-page application to the city manager's office. The application addresses the property's history and intended use, as well as the proposed improvements. Applicants must attach two independent contractor estimates for the proposed improvement and, if available, evidence of the building's historic significance.

When an application is approved, the owner receives a grant of up to \$25,000. Once the work is completed, the city places a conditional lien on the property to ensure that the property remains open, operative, and free of graffiti and blight for five years from the date of agreement. If the applicant does not maintain the funded improvements for the entire five years, the city recovers its costs through the lien. If the applicant fulfills the program requirements, the lien is released after the five-year period.

Results

The city has approved its first \$25,000 grant to improve a vacant facility, which will be occupied by two new businesses. The owners of two additional properties have initiated discussions with the city about applying for grants in the near future.

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