Applicants for grant assistance must provide responses to the categorical evaluation criteria AND the Administrative Priorities in their grant proposals. Both sets of evaluation criteria and the Historic Preservation Fund (HPF) grant program guidelines are being provided for public review and comment. Please provide any comments to the DHPA Grants Staff by Thursday, April 13, 2017. All public comments received will be presented at the meeting of the State Historic Preservation Review Board on April 19, 2017.

All public comments must be received in writing. Send comments by fax to 317-232-0693, by e-mail to skennedy@dnr.IN.gov, or by mail to DHPA Grants Staff, 402 W. Washington St., Room W274, Indianapolis, IN 46204.

DRAFT FY2018 HPF GRANT PROGRAM GUIDELINES

(Proposed changes are indicated in **bold type** or ~~**strikethrough**~~)

The Historic Preservation Fund (HPF) is a program of the U.S. Department of the Interior, National Park Service that is administered in Indiana by the Department of Natural Resources, Division of Historic Preservation and Archaeology. The following items are the federal program guidelines and requirements and state procedures and policies used to administer this program. More specific guidelines may also be provided in the Administrative and Categorical Priorities, as well as the categorical application packets. These guidelines are intended to foster the careful and responsible use of the limited grant funds available for cultural resource management and to provide the greatest public benefit to the current and future citizens of Indiana. Grant applications are reviewed by professional staff, measured and scored against publicly approved evaluation criteria, selected for funding on a competitive basis, and approved for funding by the State Historic Preservation Review Board.

Eligibility Requirements

Eligible applicants include municipal government entities, educational institutions, and not-for-profit organizations with 501(c)(3) tax-exempt status. Private individuals and for-profit entities are not eligible to receive competitive grant round funds.

Properties that will be the subject of feasibility studies or plans and specifications for future rehabilitation activities must be listed in the National Register of Historic Places.

Properties that will be rehabilitated with federal funds must be listed in the National Register of Historic Places, should be open and available to the public on a regular basis (unless closed for public safety reasons), and must be non-income-producing (non-profit).

- Properties where the owners do not agree to abide by the terms and conditions of the federally required protective covenant will not be considered for HPF grant assistance;
- Properties where the owners plan current or future phases of rehabilitation activities that will be highly likely to conflict with the Secretary of the Interior's Standards for Rehabilitation may not be considered for HPF grant assistance.

Reimbursement

Grant funds are paid out on a reimbursement basis after submission of proper documentation that project costs were incurred and paid by the grant recipient.

Standard Funding Ratios

It is imperative to foster continued data collection about the location and significance of both above-ground and below-ground historic and cultural resources in order to support state and federally mandated review and compliance activities. To this end, only survey activities will be funded on a 70/30 basis (70% federal share / 30% local share). All other projects will be funded on a 50/50 basis (50% federal share / 50% local share).

Source of Matching Funds

Local matching funds to the grant must be non-federal in origin, per federal HPF program guidelines. Federal pass-through grants, such as Transportation Enhancements (TE), cannot be used as matching funds to HPF grants. Acceptable forms of match include cash from state, local, and private sources, as well as the fair market value of donated goods and professional services, and volunteer labor valued at minimum wage ($7.25/hour as of July 24, 2009).

Standard Award Limits

The minimum grant request amount for any project category is $2,000.
The maximum grant request amount for the Architectural and Historical Category is $35,000.
The maximum grant request amount for the Archaeological Category is $50,000.
The maximum grant request amount for the Acquisition and Development Category is $50,000.
Funding requests must fall within these parameters. If the project runs over budget, so that the actual project costs exceed the amount of the grant plus the required local match, the local grant project sponsor must bear the additional costs.

Categorical Funding Ratios

Once Indiana's HPF allocation is determined each year, staff will target at least 40% of this amount for distribution as grants. Of the remaining funds, approximately 15% of the total HPF allocation will be reserved for cooperative agreement projects. Therefore, approximately 55% or more of HPF funds will be redistributed to assist local projects each year. The remaining funds will be used to support the production of public education materials, several office positions, and certain State Historic Preservation Office operation needs.

The amount of funding that is set aside for HPF grants will be divided among the three project categories according to pre-determined funding ratios from the following sliding scale. Based on the demonstrated demand for funds in the three project categories over the last three years and other considerations and budgeting factors, the following sliding scale represents what staff believes is the most fair distribution of funds in light of funding demand trends and the uncertainty of Congressional appropriation levels for the HPF program. The sliding scale also provides for pre-approved and instantaneous direction for the categorical allocation of funds in the event that Congress does not pass the Department of the Interior spending bill (which includes HPF appropriations) until after the Review Board considers grant funding recommendations at its January meeting. (This situation is fairly common, but the existence of the sliding scale reduced delays in project initiation.)

At the top of each "column" is a range for the amount of grant funds available and a set of allocation percentages for the three project categories. For example, if funding for the HPF grants program is set by DHPA staff at $625,000, which falls within the range covered by Column 4, then the Architectural & Historical category would receive $81,250 (13% of $625,000). The dollar figures within each column represent the high and low ends of the range for categorical funding amounts based on the allocation percentages. These funding allocations balance the need to accommodate important local heritage projects and survey programs for archaeological sites with the public's increasing demand for bricks-and-mortar funding. Note that in 2003 through 2009, the amount set aside for grants fell within the range covered by Column 3; in 2011 and 2012, the amount set aside for grants fell within the range covered by Column 2; in 2013 through 2015, the amount set aside for grants fell within the range covered by Column 1.

Money Available for Grants	Column 1	Column 2	Column 3
If funding is at least:	$300,000	$400,000	$500,000
But less than:	$400,000	$500,000	$600,000
Architectural & Historical	15%	14%	13%
minimum allocation	$ 45,000	$ 56,000	$ 65,000
maximum allocation	$ 60,000	$ 70,000	$ 78,000
Archaeological	30%	28%	27%
minimum allocation	$ 90,000	$112,000	$135,000
maximum allocation	$120,000	$140,000	$162,000
Acquisition & Development	55%	58%	60%
minimum allocation	$165,000	$232,000	$300,000
maximum allocation	$220,000	$290,000	$360,000

Money Available for Grants	Column 4	Column 5	Column 6
If funding is at least:	$600,000	$700,000	$800,000
But less than:	$700,000	$800,000	$900,000
Architectural & Historical	13%	12%	12%
minimum allocation	$ 78,000	$ 84,000	$ 96,000
maximum allocation	$ 91,000	$ 96,000	$108,000
Archaeological	26%	24%	22%
minimum allocation	$156,000	$168,000	$176,000
maximum allocation	$182,000	$192,000	$198,000
Acquisition & Development	61%	64%	66%
minimum allocation	$366,000	$448,000	$528,000
maximum allocation	$427,000	$512,000	$594,000

Note: If the amount of funding available for the HPF grant program ever exceeds $900,000, staff recommends maintaining the funding allocation percentages from Column 6. Similarly, if the amount of funding available for the HPF grant program is ever less than $300,000, staff recommends maintaining the funding allocation percentages from Column 1. Historically, the amount of funding available for Indiana's HPF grant program usually falls within the range covered by Column 1, Column 2, or Column 3.

Staff will revisit the sliding scale percentages every second year (for the program cycles in even-numbered federal fiscal years) and compare them against statistical data for the previous three-year period, including the average demand for grant funds in each category. This method controls for sudden spikes or drops in both the demand for and availability of grant funds and still responds to overall trends in the categorical demand for grant funding. Staff will also consider other budgeting factors that may affect the amount available for the HPF grant program. Staff may also revisit the sliding scale percentages in odd-numbered federal fiscal years when major programmatic changes are proposed that may affect or warrant changes to the funding ratios.

Grant Selection Procedures

DHPA Staff and the State Historic Preservation Review Board will follow these procedures to select grant projects for funding.

I. DHPA Staff develops grant evaluation criteria and grant program guidelines.
   A. DHPA Staff revisits the grant evaluation criteria and grant program guidelines from the previous year, considers appropriate or necessary changes, and drafts revisions to the evaluation criteria and guidelines for the next funding round to keep the program responsive to identified preservation needs in the state.
   B. DHPA Grants Staff posts the draft grant evaluation criteria and grant program guidelines on the division's website a minimum of sixty (60) days prior to the cut-off point of the public comment period.
   C. DHPA Grants Staff notifies the public of the availability of the draft grant evaluation criteria and grant program guidelines a minimum of sixty (60) days prior to the cut-off point of the public comment period.
   D. DHPA Grants Staff collects written comments on the draft criteria and guidelines up to the cut-off point of the public comment period.
   E. DHPA Grants Staff provides recommendations to the State Historic Preservation Review Board, indicating:
      1. Revisions to the grant program guidelines (if any);
      2. Revisions to the sliding scale funding guidelines for the three project categories (if any);
      3. Revisions to the grant evaluation criteria (Administrative, Architectural and Historical, Archaeological, and Acquisition and Development), including the point value of each criterion and the minimum Administrative score required to qualify for grant funding.
   F. DHPA Grants Staff summarizes all public comments received on the draft criteria and guidelines to the State Historic Preservation Review Board at its spring meeting.
   G. The State Historic Preservation Review Board reviews Staff's recommendations, considers public comments received, suggests or requests any appropriate changes, and formally approves the criteria and guidelines for the next funding cycle.

II. DHPA Grants Staff solicits and accepts grant proposals.
   A. DHPA Grants Staff prepares grant application materials that include the evaluation criteria and program guidelines approved by the State Historic Preservation Review Board and sets the date of the grant application deadline.
   B. DHPA Grants Staff posts the application materials on the division's website a minimum of sixty (60) days prior to the grant application deadline.
   C. DHPA Grants Staff advertises the availability of grant application materials a minimum of sixty (60) days prior to the grant application deadline.
   D. DHPA Grants Staff receives and records grant proposals up to the application deadline; late proposals are not accepted.

III. DHPA Staff evaluates, scores, and ranks grant proposals.
   A. DHPA Grants Staff conducts technical reviews of grant proposals to determine that each is complete; additional information or forms are requested from the proposal authors, if necessary; approximately ten (10) days are allotted for proposal authors to supply any missing information and/or forms.
   B. DHPA Grants Staff establishes a five-member or six-member review committee for each project category.
      1. Each committee includes two Grants Staff members who meet 36 CFR 61 qualifications.
      2. Each committee includes three or four Program Area Staff members who meet 36 CFR 61 qualifications in disciplines relevant to the work items allowed in the project categories.
   C. Review committee members read and score grant proposals independently, then meet as a group to discuss each project and the corresponding scores.
   D. The Grants Staff prepares the ranked list based on the committee members' scores.
      1. All reviewers' scores for each criterion are recorded.
      2. The highest score for each criterion is eliminated.
      3. The lowest score for each criterion is eliminated.
      4. The remaining scores for each criterion are averaged to one decimal place.
      5. The sums of the averaged scores for the Administrative and categorical evaluation criteria are computed; projects that meet or exceed the minimum Administrative score will be recommended for funding; projects that do not meet the minimum Administrative score will not be recommended for funding. (See "Minimum Administrative Score" below.)

6. The Administrative and categorical evaluation criteria scores are added together to compute the total project score; the ranked list for each project category is prepared by arranging proposals from highest to lowest total project scores; any proposals not recommended for funding are automatically placed at the bottom of the list, regardless of their score. In the event of a tied score within a category, the proposal with the higher Administrative score will be ranked higher.

IV. DHPA Grants Staff prepares funding recommendations for the State Historic Preservation Review Board.
   A. DHPA Grants Staff prepares an information packet for the State Historic Preservation Review Board that summarizes the details of the HPF Program grant round, including:
      1. The overall demand for funds, a breakdown of the demand for funds by project category, and other pertinent statistical information.
      2. The amount targeted for distribution as subgrants, if known at that time.
      3. The amount proposed for distribution as subgrants to Certified Local Governments, if known at that time.
      4. The ranked list for each project category.
      5. A summary of each grant proposal that lists the name of the project, the name of the applicant, the total project score, the federal and non-federal shares of the project budget, the amount of grant funding recommended, a brief description of the project, and any pertinent staff comments.
   B. DHPA Grants Staff forwards the funding recommendations packet to the members of the State Historic Preservation Review Board at least ten (10) days prior to its winter meeting.
   C. Members of the State Historic Preservation Review Board review the funding recommendations packet prior to the meeting.

V. State Historic Preservation Review Board formally approves grant funding awards.
   A. DHPA Grants Staff presents the staff's comments at the meeting of the State Historic Preservation Review Board and asks the Board to approve the funding recommendations for Certified Local Governments, the Architectural and Historical Category, the Archaeology Category, and the Acquisition and Development Category.
   B. Members of the Review Board direct questions about specific proposals, project categories, and the overall program to the DHPA Grants Staff.
   C. Members of the Review Board recuse themselves from voting on any category if they have a conflict of interest (or the appearance of conflict of interest).
   D. The State Historic Preservation Review Board votes to approve funding for the project categories; in the event that the amount of Indiana's HPF allocation is unknown prior to the meeting, the Review Board votes to approve the ranked lists of projects in each category so that grant awards can be made once the categorical funding levels are determined.
      1. The Review Board votes to approve grant proposals from Certified Local Governments to insure that Indiana meets its required minimum 10% pass-through to CLGs (if treating CLG proposals as a separate category is necessary).
      2. The Review Board votes to approve grant proposals as ranked in the Architectural and Historical Category, including transferring any remaining funds to the other categories, if necessary.
      3. The Review Board votes to approve grant proposals as ranked in the Archaeological Category, including transferring any remaining funds to the other categories, if necessary.
      4. The Review Board votes to approve grant proposals as ranked in the Acquisition and Development Category, including transferring any remaining funds to the other categories, if necessary.

<u>Minimum Administrative Score</u>

Regardless of project category, each grant application must include responses to the Administrative Priorities. This set of evaluation criteria examines the past performance of project staff, the budget and timetable for the proposed project, the type and availability of matching funds committed to the project, and other basic factors that pertain to all projects. The Administrative Priorities are intended to insure that proposals are properly formulated, include reasonable and realistic budgets and timetables, include the necessary documentation to prove project readiness, and have key personnel with past track records of satisfactory performance. In short, the Administrative score tends to indicate the likelihood that a project is ready to move forward, be completed on-time and on-budget, and be brought to satisfactory and successful conclusion. A low score on the Administrative Priorities reduces a project's overall

chances of being funded; however, there is a minimum threshold that proposals must meet to be recommended for funding.

The Administrative Priorities have a total of 142 points, but 12 of these are reserved only for grant proposals from Certified Local Government communities. Therefore, there are 130 administrative points potentially available to ALL grant proposals. Based on the evaluation criteria, DHPA Staff have determined that proposals must score a minimum of 65.0 points in order to demonstrate an adequate level of project readiness and a reasonable likelihood of a timely and successful completion of the project. Any proposals that do not score at least 65.0 points on the Administrative Priorities will not be recommended to the State Historic Preservation Review Board for funding consideration.

Reallocation of Funds

In rare cases, grant projects fail to achieve their objectives, either in whole or in part. When a grant funding offer is declined or a grant agreement is terminated at the beginning of the project cycle, there is often enough time to initiate and complete a new project using the remaining grant funds. However, when a project cancellation or a major reduction in the scope of work occurs in the middle or at the end of the grant cycle, it is not possible to initiate and complete a new project due to the short duration of the federal grant cycle and the "use-it-or-lose-it" policy that governs this federal program. In this case, remaining grant funds must be reallocated to existing grant projects and/or DHPA operating expenses and office needs.

When enough time permits, the DHPA Grants Staff may use the funds remaining from a cancelled project to make a grant award to the top-ranked unfunded project in the same category, as long as that project was recommended for funding. However, if the amount of funding available is not enough to constitute a meaningful grant award to that project, the DHPA Grants Staff may consider funding the top-ranked unfunded project in another category where there may be a better match between the amount of funds available and the amount of funds requested. If it is not convenient to make a funding award to a top-ranked unfunded project, the remaining funds can be used to assist other activities through cooperative agreements.

At the end of the grant cycle, unused funds may be reallocated to projects that have gone over budget and have documented "local overmatch" of the federal grant funds. Any additional grant payments are still subject to the same local match ratio requirements, but the additional payments may exceed the maximum categorical grant award limits if it is necessary to do so in order to use all of the remaining HPF grant funds. First priority for reallocation of funds will be given to projects that request such assistance in writing during the active period of the project. After formal written requests for additional funding assistance have been honored, if possible and appropriate, preference will be given to not-for-profit organizations ahead of municipal governments and educational institutions.

Certified Local Governments

The National Park Service requires that a minimum of 10% of each state's annual HPF allocation be distributed to municipalities that have been federally designated as Certified Local Governments. Indiana currently has nineteen (19) CLG communities: Bloomington, Crown Point, Elkhart, Evansville, Fort Wayne, Huntington, Lafayette, LaPorte, Logansport, Madison, Mishawaka, unincorporated Monroe County, Muncie, Nappanee, New Albany, Newburgh, Richmond, South Bend, and unincorporated St. Joseph County. CLGs compete for grant funds with all other applicants, but they are given a competitive advantage in the evaluation criteria. If the state does not meet its minimum 10% pass-through quota to CLG communities, the remaining portion of that amount is retained by the National Park Service and is no longer available to the state. Therefore, it is imperative to fund enough CLG projects to meet the minimum 10% pass-through quota each year.

If the 10% CLG quota is not met through the grant round because not enough CLG grant proposals are submitted and/or funded, the DHPA will investigate options to fund one or more cooperative agreements with CLGs in order to meet and exceed the minimum requirement. However, if CLG grant projects are cancelled in the middle or at the end of the grant cycle, it may not be possible to initiate and complete new CLG projects within the time remaining. In such cases, the DHPA Grants Staff will reallocate uncommitted CLG funds to existing CLG grant projects. This will be achieved by increasing the federal funding ratio evenly among all CLG projects at least until the minimum quota is met. For example, the federal funding ratio for all CLG projects might be raised from 50% to 58%, if such an increase would bring the state's CLG commitments above the minimum quota level. This will prevent the state from losing any of its annual federal funding.