



HISTORIC DEMONSTRATION PROJECT PROGRAM

The Demonstration Project Program uses City historic preservation funds to encourage the rehabilitation and reuse of significant historic commercial, multi-family residential, and/or institutional buildings. The program pays up to 100 percent of eligible rehabilitation costs for projects which substantially preserve, restore, and/or rehabilitate significant historic properties listed individually on the City's historic property register or as contributing resources within a historic district, provided that the owner expends an equal or greater amount on ineligible work items. In exchange for funding, owners convey a conservation easement to the City. The program will consider funding requests over \$10,000, with the maximum funding amount depending on the proposed project scope of work, the significance of the property, the extent of the project need, and the availability of funds. Project monies are disbursed after the work is completed and approved by the City's Historic Preservation Office.

PROGRAM GOALS AND PRINCIPLES

The Demonstration Project Program provides funding assistance for historic rehabilitation projects which best demonstrate City historic preservation goals and objectives. The program purpose is to encourage those historic rehabilitation projects which retain historic building materials and features, reverse inappropriate alterations, reconstruct missing historic details, and return a building to its historic appearance. All projects are required to meet the City's [*General Design Guidelines for Historic Properties*](#) as well as the [*Secretary of the Interior's Standards for the Treatment of Historic Properties*](#).

ELIGIBLE IMPROVEMENTS

The program's primary focus is to assist projects that substantially rehabilitate the exteriors of significant historic buildings. All funded projects must result in the stabilization, preservation, restoration, rehabilitation, or in-kind reconstruction of the building's exterior skin. Eligible exterior work items include:

- Exterior Walls
- Roofs
- Foundations
- Windows and Doors
- Storefronts
- Exterior Woodwork
- Masonry/Stucco Repairs
- Porches and Steps
- Cornices and Parapets
- Historic Outbuildings
- Reversal of Previous Inappropriate Alterations
- Demolition of Non-Historic Additions
- Reconstruction of Original Architectural Elements Based on Historic Documentation or Physical Evidence
- Americans with Disabilities Act (ADA) Alterations

Qualified interior work and architectural & engineering costs are eligible for funding provided they amount to no more than 35 percent of the project's total eligible costs:

Qualified Interior Work includes structural work necessary to stabilize or protect the building's historic exteriors, provided that a licensed structural engineer provides written documentation that these improvements are needed to prevent physical damage to the building. It may also include restoration of unique, character-defining interior historic features if the interior of the building is accessible to the public. The Historic Preservation Office determines which interior items are eligible for reimbursement. Interior work cannot exceed 25 percent of the project's total eligible costs.

Architectural & Engineering Costs can be reimbursed provided these costs are 10 percent or less of the total funding request. Expenses must relate directly to eligible work items (e.g., engineering drawings

required to complete needed roof truss repairs). All services must be performed by appropriate licensed professionals.

The Demonstration Project Program does not fund acquisitions, landscaping, fencing, site improvements, or additions/new construction other than the reconstruction of missing historic features. Painting is not an eligible activity on its own but may be included if part of a larger scope of work. The Historic Preservation Office determines the eligibility of all proposed work items.

APPLICATION PROCEDURES

Applications are accepted on an ongoing basis, subject to the availability of funds. All applicants are required to meet with Historic Preservation Office staff prior to submitting an application. Applicants are required to submit:

- A complete Demonstration Project grant application form
- A detailed scope of work and budget, including bids and time frames for all proposed work items
- Evidence of applicant's financial sufficiency and funding sources to complete project
- Architectural plans or elevations, as needed, to depict rehabilitation work
- Additional engineering, architectural or other studies needed to demonstrate that the project meets the [*Secretary of the Interior Standards for the Treatment of Historic Properties*](#)
- Photos showing overall views of the property and detail views where work is to be performed.

All complete applications will be reviewed on a first-come, first-served basis by the Historic Preservation Office. Staff will evaluate applications using the Project Selection Criteria below and forward evaluations to the Historic Preservation Commission for a recommendation. The City Council provides final approval for all applications.

PROJECT SELECTION CRITERIA

The City's decision to fund an application is based on the application's quality and the extent to which the project meets city historic preservation objectives. Priority for funding is given to projects which:

- Exemplify the City's [*Preservation Philosophy*](#)
- Preserve a property with a high level of historic significance in the City of Phoenix
- Undertake critically needed stabilization, preservation, restoration, or reconstruction work
- Implement a comprehensive rehabilitation strategy for a building, including projects that adaptively reuse a historic building in order to preserve it
- Improve the appearance of a historic neighborhood, area, streetscape, or individually significant site
- Further city community development goals for designated Neighborhood Services Target Areas, Redevelopment Areas, and the Enterprise Community
- Provide maximum leverage of City funds through the use of private funds or other monies.

ADDITIONAL FUNDING CONDITIONS

Please note that the following additional funding conditions apply:

1. Properties must be listed on the [*Phoenix Historic Property Register*](#) prior to City reimbursement of funding for any grant-funded work items.
2. The applicant must provide evidence that sufficient funds are available to complete the project at time of project application, including financial commitments from investors and lending institutions, and a description of the proposed financing. The applicant must notify the City if funding circumstances change after application for Demonstration Project funds is made.
3. The applicant must agree to execute all required legal agreements, including a Program Agreement and Deed of Conservation Easement, with the City as a condition of funding. Also, prior to entering into a Program Agreement, the City requires all lienholders on the property to sign a Consent Agreement.
4. The City typically only accepts applications that propose funding for "future" work items (except for eligible pre-agreement/architectural & engineering services) and does not fund projects retroactively.
5. No construction activity on work items approved for funding may occur until City Council approval is obtained and all required City agreements are fully executed.
6. The City will only provide funding on a reimbursement basis for completed components of a project. To receive payment for completed work, the Historic Preservation Office must first inspect the work and certify that it meets required historic preservation standards.
7. The applicant must agree to execute a conservation easement as specified below based on the following levels of city participation: \$50,000 or less, 20 years; \$50,001 to \$100,000, 25 years; \$100,001 to \$400,000, 30 years; \$400,001 and above, 40 years.

8. If necessary, owners are required to obtain a City building permit before starting grant-funded work. If a building permit is required, a [Certificate of Appropriateness](#) or [Certificate of No Effect](#) from the Historic Preservation Office will also be needed.
9. The applicant must sign all required agreements with the city within six (6) months after receiving City Council approval for a project and initiate work within ninety (90) days after executing agreements, or risk losing the funding.
10. Applicants need to complete all approved work within 3 years of signing agreements, or risk losing the funding. Time extensions may be granted by the City on a case-by-case basis.
11. The City may hold back up to 10 percent of the total amount awarded until all work items in the Program Agreement are completed, or until the project receives a Certificate of Occupancy/Completion.

To learn more about the Historic Preservation Demonstration Project Grant Program or other City of Phoenix historic preservation incentive programs, please visit the Historic Preservation Office website at phoenix.gov/pdd/historic-preservation, send an email message to historic@phoenix.gov, call (602) 261-8699, or write to City of Phoenix Historic Preservation Office, 200 West Washington Street, 3rd Floor, Phoenix, AZ, 85003.