

**REPORT FROM STATE HISTORIC PRESERVATION OFFICE AS TO
PROPOSED LIMITED DISASTER RELIEF SUBGRANT FUNDING
REALLOCATIONS**

from the

**EMERGENCY SUPPLEMENTAL HISTORIC PRESERVATION FUND:
Florence, Yutu, and Michael (FYM) Recovery Grant Program**
administered by the National Park Service, Department of the Interior

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As the Emergency Supplemental Historic Preservation Fund (ESHPPF) grant program has progressed, it has become necessary to request permission to reallocate certain of the grant funds to other awarded projects. The North Carolina Historical Commission (“Commission”) played a role in the initial recommended grant awards for each project (process outlined in the Appendix). **It is now therefore appropriate for the Commission to review the proposed revised project funding allocation adjustments where the amount needing to be spent is going to exceed the previously recommended grant amount.**

BACKGROUND

In January 2020, the North Carolina State Historic Preservation Office (HPO) was awarded \$17.07 million congressionally appropriated grant funding by the National Park Service (NPS) to provide recovery assistance to historic properties (including archaeological sites) damaged by hurricanes Florence and/or Michael that are listed in or eligible for listing in the National Register of Historic Places. Up to \$9.25 million was made available for constituent subgrants for bricks and mortar projects or planning projects to aid historic properties in 61 counties in North Carolina declared eligible for federal disaster funding by FEMA.

All projects aided by these monies were initially required to be completed by September 30, 2023, but due to pandemic delays and project complexities the program has been extended by the National Park Service to December 31, 2026.

PROGRAM ACTIVITIES TO DATE

Constituent subgrants. The constituent subgrant program was released to the public on May 27, 2020. At the August 14, 2020, submission deadline, the HPO had received twenty-six (26) separate applications. Following Commission review and recommendation, twenty-two (22) grants were provisionally awarded on January 14, 2021, pending successful environmental and historical compliance review and execution of a grant contract. Compliance review approvals were completed following the lengthy negotiation and execution of a Programmatic Memorandum of Agreement under provisions of the National Historic Preservation Act. Grant contracts were ultimately executed for twenty (20) of the provisional awards, with two projects being withdrawn by their applicants (Mill Prong and Hyde County), who opted not to move forward with their projects.

Internal survey and planning projects. Survey and resiliency planning projects are well underway and, in some cases, nearly completed.

Overall progress. Brick and mortar repair projects have advanced more deliberately for reasons beyond staff’s or grantees’ control. Requests for Qualifications for design services and bid packages for construction have had to be re-issued for multiple projects due to a dearth of qualified and/or available bidders. Covid-related supply chain issues and cost escalations have continued to impact construction schedules and budgets, most particularly for the large-scale construction projects (both internal and subgrants). Inflationary pressures since the time of subawards have required additional time for budget re-evaluation and project scope adjustments to match work to available funds.

Repairs to Battleship North Carolina (\$1 million), Brunswick Town/Fort Anderson Shoreline Protection Project (\$1 million), and Bald Head Island Lighthouse (\$750,000) are complete. Several other projects have commenced construction. Most remaining repair projects have either completed design or are in final review of construction documents for conformance with the *Secretary’s Standards*.

Current cost estimates indicate several projects will suffer significant budget shortfalls that will impact achieving their proposed scopes of work.

To this end, we identify below (1) what funds are available or potentially available, and then (2) staff recommendations for reallocation.

UNUSED OR RECAPTURED ESHPF FUNDS

Several sources of ESHPF grant funds are currently available for reallocation.

Source and Explanation	Amount Available
Not allocated to a project: Initial and post-2020 supplementary ESHPF funds from NPS that are not presently allocated to a project.	\$150,000
<p>Withdrawn projects: Two projects approved for funding did not execute a grant agreement, opting not to use the grant funds, and withdrew from the program. Consequently, the entirety of their awarded funds is available for reallocation:</p> <p>Mill Prong, Hoke County Hyde County's Historic 1854 Courthouse, Hyde County</p>	<p>\$214,390 \$30,000</p>
<p>Project terminated by mutual consent: Two grant agreements have been or will be terminated by mutual consent, with the balance available for reallocation:</p> <p>Historic Turnage Theatre, Beaufort County John Blue House, Scotland County</p>	<p>\$748,574 \$128,000</p>

<p>Projects terminated due to circumstances beyond parties' control:</p> <p>Addor Community Center, Moore County. Determined ineligible for the grant program due to discovery of greater than expected deterioration requiring complete disassembly of the building and reconstruction from the foundation up. Reconstruction is not an eligible use of grant funds per NPS rules (<i>estimated amount pending final accounting of grantee administrative and design expenditures</i>).</p> <p>East Arcadia Gym, Bladen County. The west end of building that needed repair and multiple truss bays collapsed in an uncontrolled manner in March 2024. This increased the scope of work; the cost of stabilization and repair is well beyond the grant budget award and an additional \$190,000 in ARPA funding allocated by Bladen County. This may also have been determined an ineligible reconstruction. The county building inspector subsequently indicated in April 2024 the building would have to be demolished (<i>estimated amount pending final accounting of grantee administrative and design expenditures</i>).</p>	<p>\$718,690</p> <p>\$315,500</p>
<p>Pantego Rosenwald School #2, Beaufort County. Building is at elevated structural risk related to the discovery of extensive floor system termite deterioration and funding limitations. Due to cost escalation and increased scope of work, the project has a funding gap of \$990,072 to attain a Phase I limited occupancy, and an additional \$576,579 is required to complete the full scope of repair work, for a total shortfall of \$1,566,651, or two times the \$750,000 ESHPF funds allocated. To date, the non-profit grantee has unfortunately struggled to raise or identify the needed additional non-state funds to supplement ESHPF grant funds. Continued staffing, maintenance, and operation of the property without State assistance requires a fully operational building to generate rental income. (<i>Estimated amount pending final accounting of grantee administrative and negotiation of design fees.</i>)</p>	<p>\$650,000</p>
<p>Total Estimated Funds Presently Available for Reallocation</p>	<p>\$2,955,154</p>

Because of the extension of the program to December 31, 2026, a portion of these available funds will have to be allocated to the necessary costs of continuing administration and technical staff support of the program, estimated to be \$300,000.

PROPOSED LIMITED FUNDING REALLOCATIONS

The awarded projects listed below face significant or potential budget shortfalls. Without supplementary funds, the projects may not attain a stable point of completion that will meet the objectives of the ESHPF grant program.

Staff considered the following reallocation criteria, tracking the original grant application scoring criteria and ranking results as well as additional pragmatic considerations, including present estimates of costs:

- (1) **Underrepresented Resources** significant for African American or Native American historical association, consistent with the original grant application scoring.
- (2) **Rare resources** significant for being among the last remaining examples of their type, consistent with the original grant application scoring.
- (3) **Estimated total cost** of the project under consideration and the apportionment of said cost among State and nonstate sources.
- (4) **Smaller “low hanging fruit”** allocations to stretch to more projects versus large allocations to fewer projects.
- (5) **Practical continuation plans** have been developed for the ongoing staffing, maintenance, and operation of the property without State assistance. (Organizational capacity/need for assistance/financial reserves.)
- (6) **Practical funding plans** have been or can be developed for the funding of additional nonstate portions of the costs.

Staff recommendations for funding reallocations (listed in order of original grant ranking):

<u>Original Award</u>	<u>Project Description</u>
1. \$219,735	<u>Bellamy Mansion Museum Hurricane Repairs, New Hanover County</u> (Roof, Masonry, Shutter Repair) Additional need \$50,000
2. \$520,101	<u>Flora Macdonald Campus, Robeson County</u> (Roof, Window, Masonry, Interior Repair) Additional need \$434,112
3. \$977,475	<u>Princeton Graded School, Johnston County</u> (Roof and Window Repairs, Interior Finishes, HVAC, Plumbing and Electrical Replacement, Storm Windows, Cafeteria Roof Structure Replacement, ADA Improvements) (Grantee match: \$56,869; total project budget: \$1,034,344) Additional need \$580,000
4. \$748,150	<u>Carolina Industrial School/Shelter Neck (UCONCI), Pender County</u> (Building Elevations, ADA Improvements) Additional need \$500,000
5. \$873,749	<u>Historic Lee County Courthouse, Lee County</u> (Roof Replacement, Masonry and Window Repairs, Door Replacement)(Grantee match: \$53,036; total project budget: \$926,785) Additional need \$185,000
6. \$361,880	<u>Boney Mill, Duplin County</u> (Structural and Roof Repair) Additional need \$50,000
7. \$688,098	<u>Indian Education Resource Center, Robeson County</u> (Masonry Repair, Lintel, Door and Window Replacement, Dormer Restoration, ADA Improvements) Additional need \$55,000
8. \$424,000	<u>Emmerton School Repair, Onslow County</u> (Masonry, Window, Soffit, Interior Repairs) Additional need \$75,000
9. \$178,674	<u>Hastings House, Johnston County</u> (Roofing, Masonry, Carpentry, and Electrical Repairs; Interior Finishes; Storm Window Installation; ADA Improvements) Additional need \$125,000

Staff recommendation for waiver of the 20% match for projects exceeding \$750,000. The National Park Service did not require any match for the ESHPF grant program. However, matching requirements were allowed by NPS at the state's option. The original Notice of Funding Opportunity authored by DNCR required requests for grant funding greater than \$750,000 to provide a minimum 20% cash match.

Several of the reallocation requests increase their total project budget above this \$750,000 threshold. These grantees did not anticipate a project cost exceeding the threshold, were not expecting this "windfall," and would be hard-pressed to provide a 20% match to these reallocated funds.

Staff recommends that the 20% match requirement be waived, and out of fairness to the projects that did initially provide a match, that their match requirement also be waived.

The table on the following page lists the status of all the grant applications received and outlines funding increases and decreases:

Project Name	2020 Staff Scoring Average	2020 Final Approved Grant Awards	2020 Grantee Match	Current Grant Awards	Recommended Additional Allocation in 2024	Revised Total Project Value	Comment
Bellamy Mansion Museum Hurricane Repairs	99.40	\$219,735		\$219,735	\$50,000	\$269,735	Estimated funds for shutter repairs
Flora Macdonald Campus Exterior Restoration	96.20	\$520,101		\$520,101	\$434,112	\$954,213	Estimated funds for new copper roof on conservatory dome and additional window repair
Geer Cemetery Archaeological Survey	92.07	\$47,912		\$47,912		\$47,912	No additional funds needed
Cumberland County Architectural Survey	89.83	\$90,000		\$90,000		\$90,000	No additional funds needed
Princeton Graded School Repairs	88.80	\$977,475	\$56,869	\$1,034,344	\$580,000	\$1,614,344	Estimated funds for full scope of work
Carolina Industrial School/Shelter Neck (UCONCI) Building Elevations and Repairs	87.58	\$748,150		\$748,150	\$500,000	\$1,248,150	Estimated funds for scope of work to elevate three buildings plus site work to reduce visual impact of elevations and to address accessibility requirements
Addor Community Center Repairs	87.20	\$758,690	\$5,000	\$40,000		\$40,000	Project to be closed out (scope evolved to reconstruction; not allowable for EHPSF funds)
Moorefields Cemetery Archaeological Survey	86.00	\$91,928		\$91,928		\$91,928	No additional funds needed
Bald Head Island Lighthouse - Restoration & Resilience	85.80	\$750,000		\$750,000		\$750,000	No additional funds needed
East Arcadia Gym Repairs	85.60	\$360,468		\$45,000		\$45,000	Project to be closed out (building collapse)
Historic Turnage Theatre Repairs	85.33	\$750,000		\$1,426		\$1,426	Project closed out by mutual consent
Mount Pleasant Architectural Survey & Stormwater Mitigation Plan	84.58	\$94,250		\$94,250		\$94,250	No additional funds needed
Historic Lee County Courthouse Repairs	83.80	\$873,749	\$53,036	\$926,785	\$185,000	\$1,111,785	Estimated funds to fully repair masonry, replace doors, and improve site drainage
Boney Mill Repair and Restoration	81.80	\$361,880	\$3,600	\$365,480	\$50,000	\$415,480	Estimated funds to repair floor framing
Indian Education Resource Center Revitalization Project	80.40	\$688,098		\$688,098	\$55,000	\$743,098	Estimated funds to install ABA required ramp
Emmertton School Repair	79.67	\$424,000		\$424,000	\$75,000	\$499,000	Estimated funds for windows and interior repairs
John Blue House Foundation Repair	79.65	\$128,000		\$0		\$0	Project to be closed out by mutual consent
Mill Prong Post-Florence Conservation	74.40	\$214,390		\$0		\$0	Did not execute grant agreement
Hyde County's Historic 1854 Courthouse Repair	73.33	\$30,000		\$0		\$0	Did not execute grant agreement
Bay View Cemetery Archaeological Survey	73.32	\$0		\$0		\$0	Determined not eligible
Harmony Hall Main Dwelling Repairs	71.80	\$115,000		\$115,000		\$115,000	No additional funds needed
Pantego School #2 Rosenwald Renovation	69.00	\$750,000		\$100,000		\$100,000	Project to be closed out (300% increase in total costs for expanded structural repair scope of work)
Hastings House Hurricane Restoration Project	67.80	\$178,674		\$178,674	\$125,000	\$303,674	Estimated funds for exterior repairs
Latimer House Damage Restoration	64.80	\$0		\$0		\$0	Project not awarded
Multi-county Survey and Associated Work	28.40	\$0		\$0		\$0	Project not awarded
Downtown Wallace NRHD Resurvey		\$0		\$0		\$0	Determined not eligible
Median of Scores	83.80						
New Column Totals				\$6,480,883	\$2,054,112	\$8,534,995	Total Project Value for Recommended Projects
					\$374,000		Unanticipated Costs/Discoveries
					\$300,000		Additional Admin and Technical Staff Costs
					\$9,208,995		Subgrant Program and Staffing Expenditures
Waived Grantee Match					\$113,505		Waived match added to 3 project allocations
Total Initial Grant Awards		\$9,172,500	\$113,505				
Currently Available Funding		\$9,322,500					
New Total Grant Awards					\$9,322,500	\$0	Unallocated funds

Project budget decreases

Project budget increases

Staff request for further limited adjustments to individual grant project budgets.

ARTICLE XII of the grant agreement between DNCR and NPS requires DNCR to “obtain prior approval for budget and program revisions, in accordance with 2 CFR 200.308.” This clause limits the transfer of funds among direct cost line items of the overall federal grant budget to 10% or less of the total budget.

As construction bids are received for brick and mortar projects (potentially both higher and lower than cost estimates), further budget adjustments may be necessary between and among the projects. Following the spirit of the DNCR / NPS budget revision clause, we request authority for the Hurricane Grant Manager in consultation with the Division Director of the Division of Historical Resources to make budget revisions of up to 10% of the total subgrant budget amount between subgrant award allocations without prior approval of the North Carolina Historical Commission.

Staff offers the following recommendations:

- 1. Approval to adjust ESHPF grant award funds and administrative line-items through reallocation of appropriate funds as outlined in the above table.**
- 2. Waive original grant program requirement for 20% match on part of subgrantees for grant funds exceeding \$750,000.**
- 3. Authority for Hurricane Grant Manager in consultation with the Division Director of the Division of Historical Resources to make budget revisions of up to 10% of the total subgrant budget amount between subgrant award allocations without prior approval of the North Carolina Historical Commission.**

APPENDIX

INITIAL ROLE OF THE NORTH CAROLINA HISTORICAL COMMISSION

Following submission of the original grant applications, constituent subgrant proposals were subject to several vetting steps, the second of which involved the North Carolina Historical Commission (“Commission”).

- **Staff review.** First, a committee composed of professional staff of the State Historic Preservation Office and Office of State Archaeology (OSA) ranked all eligible subgrant project proposals.
- **Peer review by North Carolina Historical Commission.** Next, the constituent subgrant project proposals as ranked by the HPO staff committee received peer review from the Commission. In this regard, the Commission served in an advisory role to the State Historic Preservation Officer for award of this federal aid per the grant subgrant solicitation, paralleling the Commission’s review responsibilities for state aid administered by the Department. In other words, the Commission’s review is serving as a peer review for purposes of this federal grant program.
- **Recommendations to State Historic Preservation Officer.** The Commission made award recommendations to the State Historic Preservation Officer (SHPO). The final award decision was made by the SHPO in his Federal role as outlined in the National Historic Preservation Act.
- **Submission to and final approval by NPS.** Finally, applications selected by the SHPO for funding approval were submitted to NPS for funding eligibility review and approval.

INITIAL REVIEW CRITERIA

The following criteria were used to evaluate the grant applications. For purposes of this limited funding reallocation, only criteria (3), (4), and (5) have been applied, since (1) and (2) were established during the grant award review.

- (1) **Is the property historically authentic?:** Yes, all properties for which subgrant funding is recommended are either listed in the National Register of Historic Places or deemed eligible for National Register listing by the National Park Service through a preliminary determination of eligibility.
- (2) **Is it of such educational, historical, or cultural significance as to be essential to the development of a balanced State program of historic and archaeological sites and properties?** Yes, the properties are listed in or eligible for listing in the National Register of Historic Places for a wide variety of historic significance such as historic architecture and ethnic history, and under National Register criteria for representing broad patterns of history, association with individuals, archaeological potential, or historic architecture.
- (3) **The estimated total cost of the project under consideration and the apportionment of said cost among State and nonstate sources.**
- (4) **Whether practical plans have been or can be developed for the funding of the nonstate portion of the costs:** In most cases, staff determined from the application materials that this source of funding is the only means of funding the project. Grant funding for bricks and mortar historic preservation projects is extraordinarily limited nationwide for properties owned by non-profits or local governments. For these applicants, FEMA funding or

insurance proceeds were likewise not available or too limited to undertake the historic preservation work, to our understanding.

- (5) **Whether practical plans have been developed for the continued staffing, maintenance and operation of the property without State assistance:** Staff review indicates that these properties are self-funded through non-State receipts and other assistance. We refer to the application materials and budgetary information for each property to document this answer.

COMPLETE LIST OF ORIGINAL GRANT AWARDS

Following are the grant awards as approved by the State Historic Preservation Officer:

1. \$219,735 Bellamy Mansion Museum, New Hanover County (Roof, Chimney, Foundation, Shutter Repairs)
2. \$520,101 Flora Macdonald Campus, Robeson County (Roof, Window, Masonry Repair)
3. \$47,912 Geer Cemetery, Durham County (Archeological Survey)
4. \$90,000 Cumberland County Architectural Survey, Cumberland County
5. \$748,150 Carolina Industrial School/Shelter Neck (UCONCI), Pender County (Building Elevations)
6. \$91,928 Moorefields Cemetery, Orange County (Archaeological Survey)
7. \$750,000 Bald Head Island Lighthouse, Brunswick County (Interior Masonry and Exterior Stucco Repairs, Historic Railing Replacement, Glacis Wall Study)
8. \$360,468 East Arcadia Gym, Bladen County (Timber Structure Repair, Roof/Siding Replacement, Foundation Repair, Interior Restoration)
9. \$750,000 Historic Turnage Theatre, Beaufort County (Structural, Masonry and Window Repairs)
10. \$94,250 Mount Pleasant, Cabarrus County (Architectural Survey & Stormwater Mitigation Plan)
11. \$361,880 Boney Mill, Duplin County (Structural and Roof Repair)
12. \$688,098 Indian Education Resource Center, Robeson County (Masonry Repair, Lintel, Door and Window Replacement, Dormer Restoration)
13. \$424,000 Emmerton School, Onslow County (Masonry, Window and Door, and Interior Finishes Repair)
14. \$128,000 John Blue House, Scotland County (Foundation, Porch, and Interior Finishes Repairs)
15. \$214,390 Mill Prong, Hoke County (Roof Replacement, Chimney Reconstruction, Window, Shutter, and Porch Repair, and Interior and Exterior Painting)
16. \$30,000 Hyde County's Historic 1854 Courthouse, Hyde County (Gutter and Drainage Repairs and Historic Structure Analysis)
17. \$115,000 Harmony Hall, Bladen County (Roof, Interior Finishes, HVAC and Electrical Replacement Chimney and Foundation Masonry Repairs),
18. \$750,000 Pantego Rosenwald School #2, Beaufort County (Roof, HVAC, Electrical, and Plumbing Replacement, Masonry Repair, Door Repairs/Replacement)
19. \$178,674 Hastings House, Johnston County (Roofing, Masonry, Carpentry, and Electrical Repairs; Interior Finishes; and Storm Window Installation)

- 20. \$977,475 Princeton Graded School, Johnston County (Roof and Window Repairs, Interior Finishes, HVAC, Plumbing and Electrical Replacement, Storm Windows, Cafeteria Roof Structure Replacement, and ADA improvements) (Grantee match: \$56,869; total project budget: \$1,034,344)
 - 21. \$758,690 Addor Community Center, Moore County (Structural and Foundation Repairs, Roof and Window Replacement, New Shutters, Mold Remediation, Interior Finishes, HVAC, Electrical, and Plumbing Replacement) (Grantee match: \$5,000; total project budget: \$763,690)
 - 22. \$873,749 Historic Lee County Courthouse, Lee County (Roof Replacement, Masonry and Window Repairs, Door Replacement) (Grantee match: \$53,036; total project budget: \$926,785)
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- \$9,172,500 TOTAL

North Carolina State Historic Preservation Office
North Carolina Office of State Archaeology