



Reinvesting in Historic Homes Update Program (ReHHUP) Policy & Procedures (2021)

The Reinvesting in Historic Homes Update Program (“ReHHUP”) is a volunteer-driven community initiative to induce property owners in the near east-side neighborhood of the City of Mount Vernon, Knox County, to update and improve their uniquely historic building façades and surrounding streetscapes. The program will partially fund exterior-improvement projects that enhance the design integrity of the neighborhood and secure participating buildings against further devaluation and disinvestment.

Section 1: Background and Rationale

The residential real estate profile of the historic downtown area was defined largely from 1850 to 1900. The real estate was comprised primarily of single-family houses custom-built to accommodate Mount Vernon’s growing cohort of merchants, business leaders, and medical professionals. Known for its appealing architecture and historic aesthetics, this area includes portions of three historic districts defined by the National Register of Historic Places – the East Gambier Street District, East High Street Historic District, and North Gay Street Historic District.

In the 20th Century, Mount Vernon grew outward from its central business district and experienced a degree of dis-investment in its original housing neighborhoods. A trend not unique to Mount Vernon, development patterns during the 20th Century pushed commerce and population outward along ex-urban retail corridors and former farm fields. Regardless of the advantages and disadvantages of this recent development activity, the near-east neighborhood, comprised of older residential properties, has lagged behind newer properties elsewhere in Mount Vernon, with many residences marked by declining investment and “peeling paint.”

ReHHUP’s goal is to stimulate re-investment in properties within its project area—particularly classic residences. ReHHUP projects can thereby preserve the City’s unique and beautiful aesthetics in two nationally-designated historic districts and a critical residential Mount Vernon neighborhood. Re-investment in this residential area is expected to dovetail with significant recent and ongoing investments in Mount Vernon’s central business district. As of 2020, the ReHHUP Committee has reinforced this holistic perspective on development by making grants and loans available for properties owned by non-profits that foster the project areas’ communities.

The program designers seek to create positive reinforcing effects from improving properties' exterior facades as they attract new residents to the neighborhood. New residents seeking to live close to downtown can walk to shopping, businesses, and activities, bolstering the central business district. The initial focus area of ReHHUP was on the east side of downtown with approximately 130 dwelling units; the program goal is to improve 30 such dwelling units within four years, or about one out of every four housing units. The program improved close to 40 homes in this initial phase.

In 2021, the program is relocating to the north side of town focused on the North Main/Gay corridor.

Section 2: Financial Assistance

ReHHUP will provide a combination of grants and no-cost financing to fund exterior improvements to residential buildings and non-profits. This assistance will be provided as a one-time, up-front cash payment to awardees, based on the total project costs. The program will pay one-third (1/3) of the total eligible costs in a ReHHUP *grant* and one-third (1/3) in a ReHHUP *loan*, with the remaining one-third (1/3) of total costs fully borne by the property owner.

The maximum ReHHUP award is the lesser of two-thirds (2/3) of the lowest contractor's bid for work under the project or \$10,000. In all cases, the cash assistance award will be based on the total project cost, with ReHHUP providing one-third (up to \$5,000) as a one-time grant, and one-third (up to \$5,000) as a loan; the loan is to be paid back at 0% over three years.

An application seeking ReHHUP funds must be filed with the Knox County Landmarks Foundation (the "**Foundation**"). Volunteers on behalf of the Foundation will review applications on a first-come, first-served basis, with awards subject to the availability of funds.

Section 3: Eligibility

To be eligible to participate, the property must be located within the ReHHUP Program Area (see **Appendix A**). The grant-loan award must be for exterior front façade enhancements (or side building elevation if located on a corner lot) and/or the streetscape adjacent to the subject building.

The committee will only consider prospective projects. It will not reimburse applicants if they have already completed the work described in their applications' scope of work.

After an award is made, all build-out work must be completed according to the construction schedule submitted as part of the application; in all cases, ReHHUP-assisted construction must be completed within 24 months of making an application. All build-out work must be bid by licensed contractors.

All project work must be in compliance with applicable City building permit processes and planning commission approvals.

In order to be eligible for program assistance, applicants must demonstrate financial responsibility by submitting bank statements covering their past two months of activity. This requirement will help the committee gauge whether the applicant can complete the entire project as proposed and repay the loan portion of the cash assistance award.

To receive funding or otherwise participate in the program, recipients cannot be in violation of any City rules, regulations or ordinances. A project close-out occurs upon an awardee's submittal of any Certificates of Occupancy issued regarding the project and the full repayment of the loan component.

The ReHHUP Committee will consider projects submitted by past grant and loan recipients. However, the Committee will prioritize first-time applicants. Returning applicants' submissions will be reviewed at the end of the grant cycle. Returning applicants will only be eligible to apply for a loan.

Table 1: Eligible Improvement Costs

<ul style="list-style-type: none">● Exterior painting that incorporates a major visual change● Significant masonry cleaning, and restoration modification (if part of an overall design restoration)● Significant landscaping improvements that redefine the building's street presence● Enhanced exterior building lighting that creates a noticeably enhanced appearance● Front entry systems and individual windows and door replacement or modification (if part of an overall design restoration)● New or restored façade elements such as: cornices, soffits, canopies, and other detail elements● Demolition (if part of an overall design)● Routine maintenance (incl. painting, general masonry upkeep, general window and door upkeep, and repair replacement of current lighting or removing inoperable lighting fixtures)● Decorative fencing or gates● Roof and awning repair or replacement, so long as clearly visible from the street
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Table 2: *Ineligible* Costs

<ul style="list-style-type: none">● Paying down on existing loans● Building permit & inspection fees● Security equipment● Interior improvements of ANY kind
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Section 4: Application & Grant Payment Process

ReHHUP assistance is funded by various community groups active in the Knox County community; in 2020, the program seeks to deploy \$100,000 in total support.

Building owners are to complete and submit the **ReHHUP Application Form** before the work is done. The application must include digital photographs of the subject property as well as a narrative description of the proposed improvements (applicants are encouraged to provide schematic drawings, if any, provided by housing improvement specialists). The costs to prepare an application, if any, are solely the responsibility of the applicant.

Prospective applicants are encouraged to contact the Foundation's ReHHUP Committee to discuss the project before submitting application materials. The Committee can be reached via email at rehhup@knoxlandmarks.org.

The Foundation's ReHHUP Committee will review submitted applications on a first-come, first-served basis. Awards will be in the form of one-time, up-front cash payments. Such funds will be remitted upon the Foundation approving the project and execution of one or more legal documents between the Foundation and the awardee detailing the terms and conditions of assistance. Such documents may include, but are not limited to, grant agreements, mortgages, promissory notes and personal guaranty, any or all of which will be used to secure the Foundation's loan to the awardee and provide assurance the project will be completed.

The ReHHUP loan will be repaid in equal installments on a quarterly basis during the three-year loan term.

Section 5: Selection Criteria

Applications for assistance to improve subject properties will be measured according to the following:

- What is the subject property's current physical condition and exterior appearance?
- Has the applicant provided a well-constructed, thought-out written scope of work for the exterior enhancement project?
- How extensive is the proposed exterior enhancement project?
 - Will the ReHHUP award assist in making substantial improvements to the outside appearance and exterior condition of the subject property?
- What is the applicant's demonstrated ability to complete the project as proposed and repay the ReHHUP loan component?

Appendix A: ReHHUP Program Area
revised in 2021

