



HISTORIC BUILDING FUNDING TOOLKIT

Winona, MN

This toolkit will assist you in the processes involved in updating, repurposing, and rehabilitating historic buildings, and provides a roadmap for development code and historic design guidelines, and a range of local, and national funding opportunities.





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Why should we care about and invest in old buildings?

Old buildings support small business and vibrant community.

- The 2014 [*Older, Smaller, Better*](#) report from Preservation Green Lab found that districts with smaller, older buildings supported more people, businesses, jobs, and creative opportunities per square foot than areas with new buildings.
 - ◆ Older business districts allowed for more affordable, flexible spaces for new businesses to flourish. These businesses were more likely to be independently owned, too. (Older, Smaller, Better, Preservation Green Lab)
- Old buildings provide a pathway for entrepreneurs to open new businesses and succeed. In addition, smaller lots with diverse ownership help to provide more opportunities for building ownership as well as other forms of entrepreneurship.

Rehab projects create more jobs than new construction

- In a typical rehab project, 70% of costs are associated with labor. (Rypkema, Economics of Historic Preservation)
- New construction creates 40 jobs per \$1 million dollars spent on construction as compared with historic rehabilitation, which creates 43-49 jobs per \$1 million. (Rypkema, Economics of Historic Preservation)
- Researchers have found that \$1 million invested in historic rehabilitation produces more jobs, income and state and local taxes than \$1 million invested in new construction, highway construction, machinery manufacturing, agriculture or telecommunications. ([*Brown, "The Economic Power of Preservation"*](#))

Old buildings are more energy efficient than you may think

- It can take up to 80 years for a new energy efficient building to overcome the climate impacts created by its construction, or to pay off its “carbon debt.” ([*Greenest Building Report*](#), Preservation Green Lab)
- Pre-1970s buildings are naturally energy efficient, or “green by design.” Their thick walls, use of daylight, repairable windows and parts, deep eaves and porches are part of an efficient and thoughtful design system that helps keep buildings cool in the summer and warm in the winter. (Meeks, *The Past and Future City*)
- Approximately 50% of a building’s total energy use happens during its creation--the energy associated with the construction of the building itself. Extracting and manufacturing new materials, transporting them to the site, and putting them together is called *embodied energy*. Measurements of new building efficiency primarily focus on the use of the building, which is called *operational energy*. *Operational energy* does not factor into embodied energy. By focusing on improving energy efficiency of existing buildings, we can conserve both embodied and operational energy.

Neglecting and demolishing old buildings creates waste

- Demolishing an average ~3,000 sq. ft. building and landfilling all its materials wipes out the environmental benefit of recycling about 1,344,000 aluminum cans. (Rypkema, Economics, Sustainability and Historic Preservation) This equates to 448 aluminum cans per square foot of building.
- In a typical demolition project in the Twin Cities, about 85% of demolished materials could be reused or recycled. ([Hennepin County](#))
 - ◆ Materials from older buildings are not only reusable and repairable; they're often much higher quality than newly manufactured ones. For example, old growth wood (lumber that grew slowly and naturally in virgin forests over the course of 100s of years) is a stronger, more rot resistant, termite resistant product than mass manufactured lumber from tree farms (the stuff you'd find at big box stores).
- Studies by the firm PlaceEconomics show that demolishing just a modest sized house generates 62.5 tons of household waste — the average person would need 79.5 years to produce that same amount of waste.
- In 2018, U.S. generated 600 million tons of construction & demolition waste. This is twice the amount of municipal solid waste (household garbage), and about 90% of those 600 million tons comes from demolition. This is also more than a 400% increase in C&D waste from 1990. ([Environmental Protection Agency](#))

As you consider building rehabilitation projects:

- ◆ It's important to keep in mind that your building already has a personality, and that it's important to follow what clues it gives you for design, style, and functionality. However, old buildings can find new uses that are far from their original purpose. Just think about the number of breweries and apartments that are located in old warehouses or industrial spaces!
- ◆ It's ok to be incremental: sometimes it's not financially feasible to make all the updates you want to at once. By creating a plan to address time-sensitive issues that impact the structure of your building, you can plan to update a bit at a time.

How do I start?

- Create a maintenance plan. A maintenance plan is a document that outlines work that will need to be done to maintain a building in a proactive manner. Determine what is an immediate need vs. a future goal. If maintenance planning is new to you, one place to learn more is online at the National Park Service Technical Preservation Services at www.nps.gov/tps/how-to-preserver/briefs/47-maintaining-exteriors.htm.
- Learn the basics of your building: when was it built? What architectural style does it feature? What structural needs does it have? How is it zoned? You can find out more information from the Winona Planning and Zoning Office, and also the Winona County Historical Society Archives.

- ◆ Add guides: common architectural styles, zoning explanations linked to code book.
- Consider accessibility: Old buildings are often looked to as being inaccessible. That's not always the case! While you may not be able to move a load bearing wall to create a bathroom that's sized for accessibility, there are many steps you can take to make sure your space is both functional and welcoming for all. You can learn more about what to do on the Minnesota Council on Disability's website. www.disability.state.mn.us
- Get to know what's required of you as a building owner by familiarizing yourself with Winona's Unified Development Code and Historic Design Guidelines. These tools will help you understand which processes you're required to follow.
 - ◆ The Unified Development Code is available in a separate document.
 - ◆ The Historic Design Guidelines are available in a separate document.
 - ◆ Winona Main Street has a guide available in a separate document as well as short videos describing how to understand both of these guides.
 - ◆ Winona created a Downtown Strategic Plan in 2020. You can learn more about downtown priorities, goals, and plans by viewing that document, available separately
- Is your building listed on the National Register of Historic Places, part of an Historic District or locally designated?
 - ◆ National Register of Historic Places: www.nps.gov/subjects/nationalregister/database-research.htm
 - ◆ Local Information: Community Development Office, or visit www.cityofwinona.com/641/Heritage-Preservation-Commission

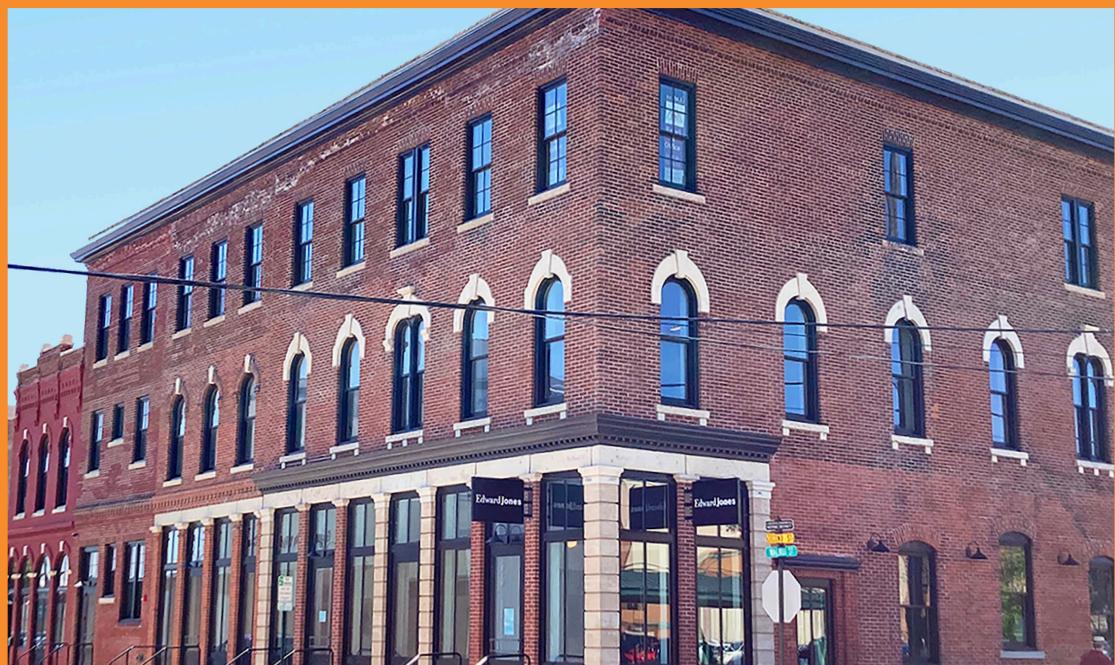


How do I start?

- Begin conversations early—by connecting with staff (when possible, some federal programs it isn't) you're more likely to have all the information you'll need prior to turning in any applications.
- Know the parameters of the fund you're seeking. Have complete information ready ahead of time
- Do your research. Work with an architect, contractor, or designer to create renderings of plans and get cost estimates to go along with those designs. Have as much researched and planned as you can prior to any application.
- Understand timelines: Grants are typically time sensitive, and require applicants to follow strict application procedures. Local funding tends to happen as projects come up, but take time to move through the approval and inspection process.
- Talk to successful applicants when possible! Connecting with building owners who have successfully completed a project or taken advantage of funding opportunities you're interested in can help you prepare for your application. Staff are available to assist and connect you with the resources you need to complete a successful application.



PLACES AND PEOPLE TO KNOW IN WINONA



There are many departments and several boards and commissions that make up the City of Winona's entities that support building redevelopment but are not listed here. You can find out more by visiting the websites listed below that can direct you to additional services.

For all initial inquiries and information on departments and commissions, contact City Staff, 507.457.8250

Community Development:

Who: City Staff

What: Administer the zoning code and development review process, encourage economic development, performs inspections for commercial and residential projects and licenses residential property, works to promote affordable housing.

When: Daytime hours
8:00 am to 4:30 pm

Where: Winona City Hall, Second Floor

Departments: Planning and Zoning, Inspections, Economic Development, Port Authority of Winona, Housing and Community Development, Heritage Preservation Commission

For full details visit:
www.cityofwinonacom/160/Community-Development

Port Authority

Who: The Port Authority of Winona is governed by seven Commissioners, two of whom are City Council members, and are appointed by the Mayor with the approval of the council. The Port Authority is staffed by the City Manager, Director of Community Development, Development Coordinator, Director of Finance, and City Engineer.

What: The Port Authority of Winona is the economic development arm of the City of Winona. The Port Authority works to expand and diversify the tax base and to create new opportunities for the growth of businesses, workforce, and housing in Winona and creates new economic development opportunities through a variety of financing tools, including a revolving loan fund.

When: Meets the second Thursday of every month at 4:00 p.m.

Where: City Hall or visit www.cityofwinona.com/313/Port-Authority

Why: The Port Authority serves as the economic development branch for the city, and oversees economic development goals and issues.

Application for Financial Assistance:

www.portofwinona.com/wp-content/uploads/Pre-Application-Financial-Assistance-05282021-2.pdf

Heritage Preservation Commission

Who: Made up of volunteer commissioners that serve three year terms appointed by the Mayor with approval of the City Council

What: The HPC was created to promote the rehabilitation and conservation of historic properties for the education, inspiration, pleasure, and enrichment of citizens and visitors of Winona.

When: Meets monthly on the second Wednesday of each month at 4:00 pm

Where: City Hall or visit www.cityofwinona.com/302/Heritage-Preservation-Commission

Why: The HPC established the Historic Design Guidelines, provides education on building preservation (like this guide!) and makes recommendations to the Council on historic building actions such as Certificates of Appropriateness and demolitions (demolitions being an action they encourage avoiding).

Planning Commission

Who: Made up of volunteer commissioners that serve three year terms appointed by the Mayor with approval of the City Council.

What: Assists in the preparation of Winona's comprehensive plan, preparation of development controls/ordinances necessary to implement the comprehensive plan, holds required public hearings relative to development proposals and development ordinance changes, and reviews capital improvement plan and provides liaison with other governmental units.

When: Meets the second and fourth Monday of each month at 4:30 pm.

Where: City Council Chambers at City Hall or www.cityofwinona.com/311/Planning-Commission

Why: Serves as a sounding board and reviewing entity in plans centered around development, redevelopment, zoning changes, or adjacent activity.

Board of Adjustment

Who: Made up of volunteer commissioners that serve three year terms appointed by the Mayor with approval of the City Council and overseen by the City Building Official.

What: Listens to and decides appeals alleged that there is an error, requirement, decision or determination made by an administrative officer in the enforcement of the zoning ordinance.

When: The BOA meets the first and third Wednesday of every month at 5:00 pm.

Where: City Council Chambers at City Hall or www.cityofwinona.com/290/Board-of-Adjustment

Why: The BOA is charged with hearing requests for variances from the literal provisions of the zoning ordinance in instances where their strict enforcement would cause undue hardship because of circumstances unique to the individual property under consideration, and to grant such variances when it is demonstrated that such action will be in keeping with the spirit and intent of the zoning ordinance.

Winona County Economic Development Authority

Who: County Staff

What: Winona County Economic Development Authority (EDA) Mission Statement is to build a strong, diversified and sustainable economy as means to improve the quality of life of County residents. The EDA promotes the use of innovative strategies ensuring the sound stewardship of natural resources by entrepreneurs, businesses, agriculture, and rural communities.

Where: 202 W. Third Street, Winona, MN 55987 or www.co.winona.mn.us/379/Economic-Development

Winona Resources

Tax Increment Financing (TIF)

Overview: TIF helps cities stimulate development activity to preserve and grow their local economies, which contributes to their economic health and vitality. The purpose of using TIF is to support desirable development that would not otherwise occur "but for" the public's financial TIF assistance. Public purposes that must be met in order to access TIF relate to: increasing or retaining jobs, increasing the tax base, meeting specific city development objectives, and enhancing the city's economic base.

Who is this for: Generally projects exceeding \$200,000, can be located anywhere in Winona.

Who to contact: Winona Port Authority Staff.

More information:

<https://www.portofwinona.com/financing/>

Tax Abatement

Overview: This program is through Winona County. Tax abatement is to support desirable development, redevelopment or renewal that would not otherwise occur without this type of public assistance. Abatement is generally viewed as providing less potential public dollars to a project as compared to TIF assistance (Note: this is typically due to the independent election of the school district and county to approve tax abatements). Public purposes that must be met relate to access Tax abatement are: increasing or preserving the tax base, providing employment and affordable housing opportunities, acquiring or constructing public facilities, redeveloping blighted areas, and financing public infrastructure.

Who is this for: Generally projects exceeding \$100,000, can be located anywhere in Winona.

Who to contact: Winona Port Authority Staff.

Link to application:

co.winona.mn.us/379/Economic-Development

Winona Main Street Program

Who: Staff of Winona Main Street at the Winona Area Chamber of Commerce.

What: Main Street is an economic development program that promotes revitalization efforts through historic preservation. Main Street offers a number of programs, educational opportunities, and has access to funds that can help support building redevelopment and entrepreneurship in historic downtown.

Where: www.winonamainstreet.com

Winona Downtown Revolving Loan Fund

Who: Community Development Staff.

What: Commercial Rehabilitation Funds are available for commercial portions of structures in downtown, including exterior work, code violations, accessibility, and preservation. The City of Winona provides matching funds for 50% of project costs up to a maximum of \$20,000 per project. There are regulations that must be complied with. 24 downtown buildings have completed projects using the Downtown Revolving Loan.

Who is Eligible: Commercial buildings in downtown district, properties must not be vacant. Non-profits are not eligible

Port Authority of Winona Revolving Loan Fund

Overview: The Winona Port Authority has financing resources available for economic redevelopment projects, including revolving funds, direct budget expenditures, and bonds issuance. In addition, the Port's annual budget allocates funds for "buying, improving, leasing, and selling properties" that can be further allocated to specific (re)development projects.

Revolving Loan: The Port Authority has a Revolving Loan Fund that has supported a variety of projects by providing gap financing to growing Winona businesses (e.g. new construction, equipment purchase, industrial facility expansion/upgrade, housing development).

Contact Port Authority Staff for complete details.

Special Assessments

Overview: Special assessments are used for projects that require construction of public infrastructure (such as roads, sidewalks, or utilities). In this case, special assessment is created and implemented by the city or jurisdiction. The assessment is levied upon the project for the term of the assessment, and often passed on to tenants or end users.

Who is this for: Generally applies to projects exceeding \$100,000.

Contact the Community Development Department.

Winona County Economic Development Authority Revolving Loan

Overview: This revolving loan is to acquire, improve, rehabilitate, or construct a site or building, among other uses such as machinery or equipment, fixtures, furnishings, and short term operating needs.

Who is this for: Any business or non-profit organization in Winona County.

Link to application:

www.co.winona.mn.us/379/Economic-Development

and view the “Revolving Loan Fund” documents.

Local Foundations and Grants

Local foundations occasionally have opportunities for building and rehabilitation. Contact the Winona Community Foundation for more information.

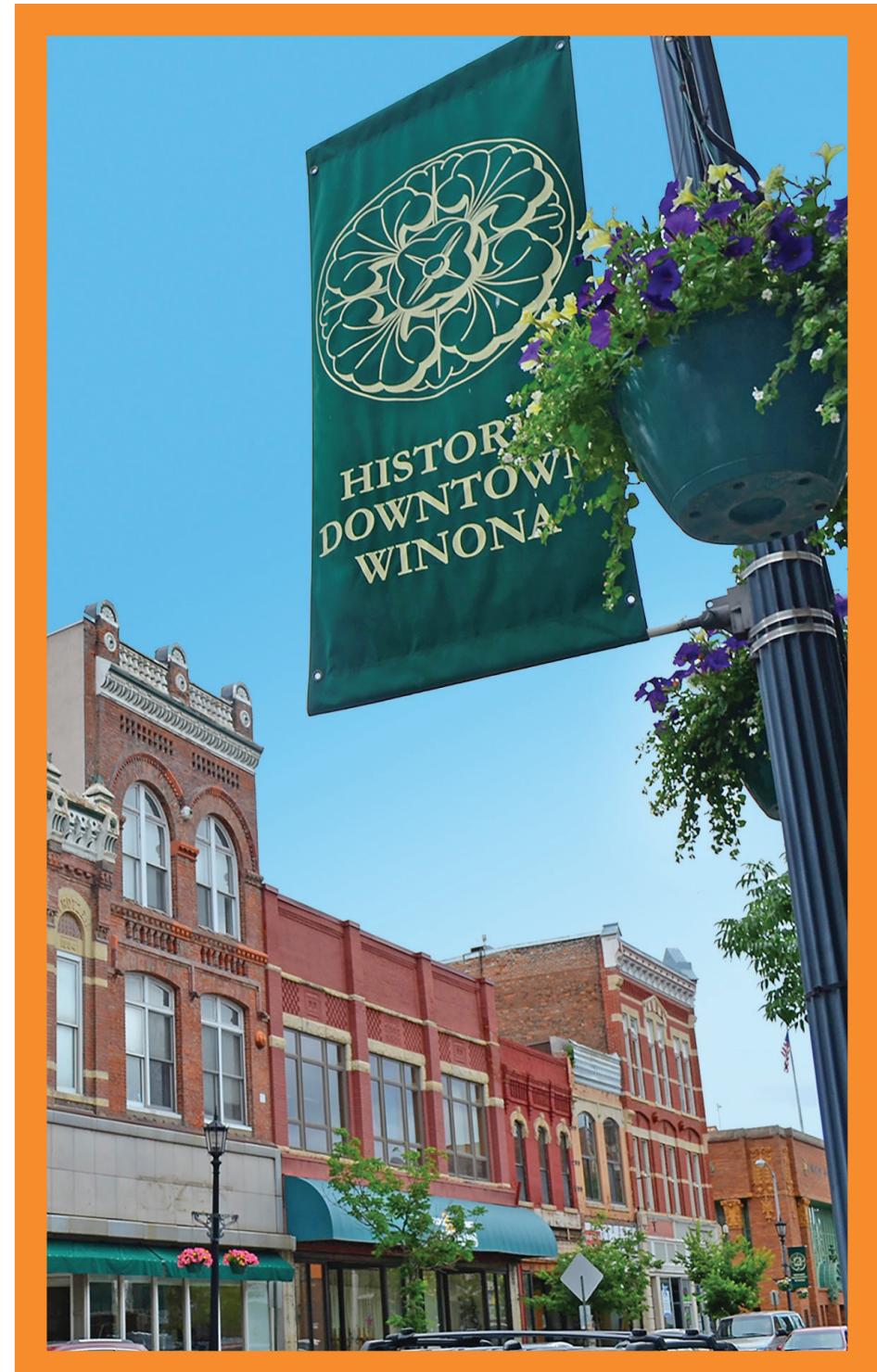
www.winonacf.org

New Market Tax Credits

Overview: New market tax credits are intended to support jobs creation, and are generally not eligible for housing projects.

Who is This For? Projects exceeding \$1,000,000, must be located in a qualified census tract, not eligible for housing projects.

Link to application: <https://www.cdfifund.gov/programs-training/programs/new-markets-tax-credit>



STATE RESOURCES: PLACES TO KNOW IN MINNESOTA



Minnesota Historical Society:

MNHS is an educational organization with a repository of state archival, documentary, photographic, archaeological, and museum collections, and a center for research, as an effective leader of and partner in educational initiatives and learning opportunities for all Minnesotans, as a partner in expanding historic preservation and in providing professional field services, increasing the capacity of history and heritage organizations statewide, among many other initiatives.

More information: www.mnhs.org

Minnesota Department of Employment and Economic Development (DEED):

The state's principal economic development agency, DEED facilitates an economic environment to produce jobs and improve the quality of the state's workforce through funding from the State of Minnesota's budget. It has the authority to award grants to assist development authorities with eligible development and redevelopment cost.

More information: www.mn.gov/deed

Rethos

A non-profit organization based in Minnesota that works nationwide for the use of old buildings and sites. Education programs (including Old Home Certified for Realtors, Homeowner DIY courses), Real Estate services (including Historic Rehab Loans), the Policy Institute (promoting legislative activity on preservation practices), and the Minnesota Main Street Program (the official coordinating program for Main Street America in Minnesota) among additional preservation trainings and efforts help Rethos protect and promote communities' shared environment and culture.

More information: rethos.org

Rethos Historic Rehab Loans: Rethos offers tax-advantaged loans to projects using state historic tax credits.

More information: rethos.org/historic-rehab-loans

Rethos Education: Rethos offers a variety of learning opportunities for people living in, working in, and owning old buildings. Courses range from informational lectures, realtor courses in selling old homes, and DIY courses on topics such as window, plumbing, plaster, weatherization and more.

More information: www.rethos/education

State Historic Preservation Offices

SHPO spearheads state preservation initiatives and helps carry out the nation's historic preservation program including the National Register of Historic Places, Historic Resource Identification, Historic Preservation Tax Incentives, Environmental Reviews, and Certified Local Government.

More information: <https://mn.gov/admin/shpo/about/preservation-program/>

Redevelopment Grant Program

Info: The Redevelopment Grant program is available through the Minnesota Department of Employment and

Economic Development (MN DEED), and applies only to sites where there was a previous development and significant barriers exist to redevelop the land for a more productive use. Cities, Housing and Redevelopment Authorities and Port Authorities are eligible to apply on behalf of a project. Funding availability is often subject to annual allocations. Typical eligible costs include: public acquisition, demolition costs, interior environmental abatement, public infrastructure improvements (water and sewer, standard sidewalks, standard exterior public lights, roads, etc.), environmental infrastructure (ponding, stormwater, etc.), and geotechnical soil correction.

More information: <https://mn.gov/deed/government/financial-assistance/cleanup/redevelopmentgrantprogram.jsp>

Small Cities Development Program

Info: Also available through MN DEED, provides financial assistance to cities and counties for housing, public infrastructure, and commercial rehabilitation projects. This program applies only to cities with fewer than 50,000 residents and counties with fewer than 200,000 residents. Projects must meet one of the three federal objectives to be eligible for this program.

- (1) benefit people of low and moderate incomes,
- (2) eliminate slum and blight conditions, and
- (3) eliminate an urgent threat to public health or safety

Typical eligible costs include: acquisition/demolition (generally associated with disaster recovery activities), assessment abatement, housing and commercial rehabilitation, public facility improvements and aesthetic amenities, and streetscape.

Who can apply? City of Winona. Contact City Staff for more information.

More information: <https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp>

Minnesota Historical and Cultural Heritage Grants

(Legacy Grants)

Overview: Legacy grants provide financial support for projects focused on preserving Minnesota's history and culture. Redevelopment of certified historic buildings – both planning and construction – are qualified grant activities.

Who is this for? Government units and non-profit organizations.

How do I access this? The city of Winona can apply for and sponsor cooperative grants for historic structures:

More information: <https://www.mnhs.org/preservation/legacy-grants>

Historic Tax Credits (State and Federal)

Historic Tax Credits sunset in July 2022 and are currently unavailable in Minnesota, but have the potential to come back in 2023.

Overview: Federal and state income tax credits are available for certified historic rehabilitation projects. Federal income tax credits are equal to 20% of qualified project expenses. The state of Minnesota would offer an additional 20% state historic tax credit on qualified project expenses if the state program is extended.

What should I have prepared before seeking this?

Work that will meet all national historic preservation standards, preparation for a multi-part application.

More information:

<https://www.nps.gov/tps/tax-incentives.htm>
and <https://mn.gov/admin/shpo/incentives/state/>

Property Assessed Clean Energy (PACE)

PACE is a financing mechanism that enables funding for energy efficiency improvements in existing buildings. PACE is a national initiative that is gaining popularity in Minnesota. MNPACE, a division of the Saint Paul Port Authority, is the largest provider of PACE financing in the State of Minnesota. PACE financing is repaid as an assessment on the property's regular tax bill, and is processed the same way as other local public benefit assessments.

Who is this for? Businesses in communities or counties with a Joint Powers Agreement with MN Pace (Winona County has an agreement).

More information: <https://www.mnpace.com/>

Low Income Housing Tax Credits

Overview: The Minnesota Housing Finance Agency (MHFA) offers a wide range of financial assistance to create and preserve affordable housing, including mortgages, low-income housing tax credits (LIHTC), deferred loans, and grants to prevent homelessness.

How do I access this? To explore the options available visit the MN Housing website at www.mnhousing.gov/sites/multifamily/taxcredits.

More information: <https://www.mnhousing.gov/sites/multifamily/gettingstarted>

State Foundations and Grants

Explore state or regional grant opportunities for redevelopment funding.

Some Examples: McKnight Foundation, Target Foundation, Southern MN Initiative Foundation, Blandin Foundation, Otto Bremer Trust. Many more foundations exist.

NATIONAL AND FEDERAL RESOURCES



National Park Service Grant Program

Info: The State, Tribal, Local, Plans & Grants Division provides preservation assistance that support the preservation of America's historic places and diverse history. NPS administers grant programs to State, Territorial, Tribal, and local governments, educational institutions, and non-profits in addition to providing preservation planning, technical assistance, and policy guidance.

More information:

<https://www.nps.gov/subjects/historicpreservationfund/save-americas-treasures-grants.htm#:~:text=The%20Save%20America's%20Treasures%20grant.projects%20across%20the%20United%20States>

National Trust for Historic Preservation Grant Program

Info: Funding from the National Trust is awarded to nonprofit organizations and public agencies, and the majority of our funding is awarded for planning and education projects through our [National Trust Preservation Funds](#) grant program. Grants from the National Trust Preservation Funds encourage preservation at the local level by providing seed money for preservation projects.

More information:

<https://savingplaces.org/grants#.X0kNj4tOk2w> ; <https://forum.savingplaces.org/build/funding?ga=2.74857554.133859654.1598623119-766207766.1598623119>

Jeffris Family Foundation

Info: The Jeffris Family Foundation is dedicated to Midwestern Historic Preservation, including Minnesota. They generally fund Historic Structure Reports (HSRs).

More information: <https://www.jeffrisfoundation.org/>

Opportunity Zone

Overview: OZs are an economic development tool that allow people to invest in distressed areas in the United States to spur economic growth and job creation in low-income communities while providing tax benefits to investors.

Who is This For? Projects must be located in defined Opportunity Zone area.

More information: <https://www.cdfifund.gov/opportunity-zones> or on the IRS website.

US Dept. of Housing and Urban Development (HUD)

Info: HUD awards discretionary funding through over 20 Grant programs that support HUD initiatives, including Affordable Housing Development and Preservation, Community and Economic Development, Environment and Energy, Fair Housing, Homelessness, Homeownership, Rental Assistance, and Supportive Housing and Services. Follow the link to find information on registering for grants, viewing available funding opportunities, and registering for grants.

More information:

https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo

US Small Business Administration (SBA)

Info: The SBA provides limited small business grants and grants to states and eligible community organizations to promote entrepreneurship. Visit the link for complete information on who is eligible and grant availability.

More information: <https://www.sba.gov/funding-programs/grants>

US Economic Development Administration (EDA)

Info: There are a variety of funding opportunities through the USEDA. Visit the link for complete requirements and information.

More information: <https://www.eda.gov/funding-opportunities>

United States Department of Agriculture (USDA)

Info: The USDA offers a number of funding options, including:

- Housing Assistance.
- Rural Development loans and grants that fund housing, community facilities, business guarantees, utilities, and other service.

More information: <https://www.usda.gov/topics/farming/grants-and-loans>

US Environmental Protection Agency (EPA)

Overview: The federal EPA has resources available for redevelopment, including a Cleanup Grant to assist with projects on identified brownfield sites. The city may be able to help pursue these funds based on a project meeting EPA's program criteria.

Who is This For? A brownfield site is a property, the expansion or redevelopment of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

More information: <https://www.epa.gov/grants>



164 East 3rd Street
Winona, MN 55987

507.205.2335
rethos.org