



National Conference of State Historic Preservation Officers

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Testimony before the  
U. S. House of Representatives Committee on Appropriations  
Subcommittee on Interior, Environment and Related Agencies  
The Honorable Ken Calvert, Chairman

March 13, 2015

### **Fiscal Year 2016 Historic Preservation Fund (HPF) Total Request:**

- \$60 million for State Historic Preservation Offices (SHPOs), including \$10 million for a competitive grant program for finding and documenting America’s historic places
- \$15 million for Tribal Historic Preservation Offices (THPOs)
- \$32.5 million for competitive grant programs related to Civil Rights
- \$10 million for a bricks & mortar competitive rehabilitation grant program

Funded through withdrawals from the Historic Preservation Fund (16 USC 470*h*) U. S. Department of the Interior’s National Park Service.

### **Unique and Successful Federal-State Partnership**

Congress, recognizing the importance of our heritage, enacted the National Historic Preservation Act (NHPA 16 USC 470) in 1966 which established historic preservation as a priority of the federal government. Recognizing that States are the experts of their own history, the Act’s authors directed the federal entities charged with its implementation - the Department of the Interior and the Advisory Council on Historic Preservation – to partner with the States. Duties delegated to the SHPOs include: 1) locating and recording historic resources; 2) nominating significant historic resources to the National Register of Historic Places; 3) cultivating historic preservation programs at the local government level; 4) providing funds for preservation activities; 5) commenting on federal rehabilitation tax credit projects; 6) review of all federal projects for their impact on historic properties; and 7) providing technical assistance to federal agencies, state and local governments and the private sector. HPF grant awards help states carry out these duties and require a forty percent minimum match to the federal appropriation.

### **Jobs, Economic Development & Community Revitalization**

Nationwide, communities have experienced how historic preservation stimulates economic growth, promotes community education and pride, and rescues and rehabilitates significant historic resources. In many cases, historic preservation combats the effects of blight and vacancy by using the historic built environment as a catalyst for community change. These changes result

in historic downtown districts and neighborhoods that are dynamic destinations for visitors and residents alike.

The Federal Rehabilitation Tax Credit (HTC) program, administered by the State Historic Preservation Offices in cooperation with the National Park Service, is an important driver for economic development. Since inception, the HTC has rehabilitated over 40,000 buildings, created nearly 2.5 million jobs and leveraged \$117 billion in private investment nationwide. On average, the HTC leverages \$5 dollars in private investment for every \$1 dollar in federal funding creating highly effective public-private partnerships.

Recent examples of tax credit project successes include the \$12 million rehabilitation of the Old Masonic Temple and City Hall in Vallejo, CA. The buildings dated back to California's pioneer days – a time when Ulysses S. Grant was President, the transcontinental railroad had just been completed, and the state population totaled about 560,000 residents. By 2009 the buildings were owned by banks and left neglected and vacant. Their future seemed hopeless and the loss of a combined 240 years of the community's history inevitable. Instead, private developers worked with the CA SHPO and utilized the HTC to turn these historic gems from community liabilities into assets that now provide nine studio residences, 11 one-bedroom and eight two-bedroom residences, and lower floor commercial space.

Salt Lake City is another example of the transformational impact of the HTC. The revivification of the City's Depot District began with the rehabilitation of the W.P. Fuller Paint Building by Big D Construction Company and the historic ZCMI Warehouse by Artspace, a non-profit dedicated to providing affordable housing for artists. Big D's \$5.1 million renovation converted the former warehouse into office and storage uses while also earning LEED Gold certification. Artspace's \$4.2 million rehabilitation of the former storage space now provides 18 live/work townhouses for artists, plus 20,000 square feet of galleries, art studios, and office space.

Since completion of these two projects, the market value of properties in the area has increased 22.5% and the Salt Lake Redevelopment Authority has established a Tax Increment Financing (TIF) district which reinvests within a neighborhood the additional tax revenues that additional investments generate. The TIF amount totaled \$7.5 million in 2013.<sup>1</sup>

Historic preservation stimulates economic development through heritage tourism as well. Cultural and heritage travelers spend an average of \$994 per trip and contribute more than \$192 billion annually to the U.S. economy.<sup>2</sup> SHPOs are essential, ground level partners in identifying and interpreting the historic places that attracts these visitors. A minimal \$3 million increase in SHPO funding would allow SHPOs to expand their public outreach and assistance efforts, enabling communities to take greater advantage of heritage tourism opportunities which lead to job creation, new business development and enhanced community pride.

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<sup>1</sup> "Catalyst for Change" The Federal Historic Tax Credit: Transforming Communities. A report prepared by Place Economics for the National Trust for Historic Preservation. June 2014.

<sup>2</sup> U.S. Cultural and Heritage Tourism Study (October 2009) conducted by Mandala Research, LLC for U.S. Cultural & Heritage Tourism Marketing Council, U.S. Department of Commerce, and Gozaic/Heritage Travel Inc., a subsidiary of the National Trust for Historic Preservation.

## **Finding and Saving America's Heritage**

Historic preservation not only generates economic development and community revitalization, it also saves historic buildings and significant places. These sites represent the many people, places, and events that have shaped our national identity. The first step in preserving and protecting America's heritage is identifying it - which requires survey, documentation and stewardship and sharing of digital historic site data. Historic site survey data is the fundamental building block of our Nation's historic preservation program; yet this key program area is sorely lacking at the current level of appropriation. The NCSHPO recently surveyed its membership and found the following results to be very alarming:

- Only 55% of surveyed historic resources have been digitized
- 29.4% - Average percentage of each state surveyed for historic buildings
- 5.8% - Average percentage of each state surveyed for historic landscapes.
- 9.9% - Average percentage of each state surveyed for archaeological resources.
- 71% of States have more than 10,000 legacy resources in need of re-survey
- 66% of States report it would take 3+ years to complete survey & digitization
- 76% of States report that their survey & digitization programs are piecemealed
- 95% of States report lack of digital records hampers their ability to conduct project reviews

The NCSHPO requests a minimum of \$10 million a year for the next 10 years for a competitive grant program for SHPOs to conduct historic resource identification, documentation and digitization activities. Having accurate, up-to-date, digitally accessible information on our Nation's historic resources would dramatically increase the efficiency and effectiveness of all local, state, and federal projects. From deciding on the design of local in-fill development, to state transportation planning projects, to federal large-scale energy projects and disaster recovery efforts – every single project, and the American people would benefit.

Once identified and documented, America's historic resources are primarily recognized at the local, state, and national levels by listing on National and State Historic Registers. State Historic Preservation Officers, through the authority of the National Historic Preservation Act assist, support and encourage communities with their efforts. National Register recognition by the Secretary confirms citizens' belief in the significance of their community.

*The National Historic Preservation program is primarily one of assistance, not acquisition. The federal government does not own, manage, or maintain responsibility for most of the historic assets in the National Historic Preservation program. Instead, the program, through the SHPOs, provides individuals, communities, and local, state, and federal governments with the tools they need to identify, preserve, and utilize the historic assets of importance to them.*

In addition to the SHPO funding, the NCSHPO supports the Tribal Historic Preservation Offices (THPO) request of \$15 million. THPOs assume the federal compliance role of the SHPO on their respective Tribal lands. In FY13, 136 tribes received an average of \$60,000 – more than \$20,000 less than when the program first started. With no funding increase and the continued growth of the program, the average THPO grant will continue to decrease.

The NCSHPO also requests \$3 million for grants to State and Tribal Historic Preservation Offices for the survey and nomination of properties associated with communities currently underrepresented in the National Register and as National Historic Landmarks, as well as \$10 million for a nationally competitive rehabilitation grant program. The NCSHPO also supports the Administration's request of \$30 million for competitive grants to preserve the sites and stories related to the Civil Rights movement and \$2.5 million for a similar program for Historically Black Colleges and Universities.

### **Historic Preservation Fund (HPF) Reauthorization**

The current authorization of the HPF expires on September 30, 2015. This testimony only touches on the invaluable economic and social value that historic preservation stimulates throughout our nation, all of which would not be accomplished but for the HPF. The NCSHPO requests that the Subcommittee support a reauthorization of the HPF that includes full and permanent funding, as intended at \$150 million per year.

### **2014 State Historic Preservation Offices' Accomplishments**

SHPOs used their HPF allocations well in 2014. While virtually every state continues to experience staffing and operational reductions, SHPOs are still charged with implementing the requirements of the NHPA to the fullest extent. Highlights of 2014 historic preservation accomplishments include:

- Reviewing nearly 103,000 Federal undertakings within a 30 day review period.
- Leveraging over \$4.32 billion of private investment in the rehabilitation of commercial historic properties under the HTC program.
- An estimated 77,750 jobs created by the HTC program in 2014.
- Creating over 6,600 low and moderate income housing units through the HTC.
- Surveying approximately 16.5 million acres for the presence or *absence* of cultural resources.
- Adding 1,030 new listings to the National Register of Historic Places.
- Issuing 82,200 National Register eligibility opinions.
- Assisting 39 new communities to become Certified Local Governments (CLGs).

### **Conclusion**

On behalf of all 59 SHPOs, I'd like to thank you Chairman Calvert, Ranking Member McCollum, and members of the House Appropriations Subcommittee on Interior, Environment and Related Agencies for the opportunity to submit testimony.

Historic preservation recognizes that what was common and ordinary in the past is often rare and precious today, and what is common and ordinary today may be extraordinary - fifty, one hundred or five hundred years from now. I would like to thank the committee for their commitment to historic preservation. The federal government plays an invaluable role in preserving our nation's history and our collective sense of place. Through our partnership, SHPOs remain committed to working together to identify, protect, and maintain our Nation's heritage. Thank you.