



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 Norman Dicks, Chairman

March 26, 2009

Request:

- \$50,000,000 for State Historic Preservation Offices
- \$5,000,000 for competitive grants to States for digitization of documents and historic site survey fieldwork

The programs are funded through the U. S. Department of the Interior’s National Park Service Historic Preservation Fund (HPF) and authorized by the 1966 National Historic Preservation Act.

Thank you Chairman Dicks, Ranking Member Simpson, and the members of the House Appropriations Subcommittee on Interior, Environment and Related Agencies for the opportunity to provide testimony. I appreciate this chance to share the State Historic Preservation Office’s (SHPOs) 2008 historic preservation accomplishments and briefly discuss historic preservation’s and SHPOs’ role in the economic stimulus as well as preservation’s contribution to economic and environmental sustainability.

SHPOs are the Nation’s Preservation Program

In 1966 Congress recognized the importance of preserving our past by passing the National Historic Preservation Act (NHPA 16 USC 470), which established today’s historic preservation program. The NHPA directs State Historic Preservation Offices (SHPOs) to sustain the foundation of historic preservation in America by: 1) locating and recording historic resources; 2) nominating significant historic resources to the National Register of Historic Places; 3) fostering historic preservation programs at the local government level and promoting the creation of preservation ordinances; 4) providing funds for preservation activities; 5) commenting on federal preservation tax projects; 6) reviewing 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.

Historic Preservation and the American Reinvestment and Recovery Act (ARRA)

SHPOs need \$50 million now more than ever to weather “the perfect storm” created by State budget reductions and ARRA.¹ This perfect storm is being produced by the flood of new stimulus dollars intended for “shovel-ready” projects hitting the ground at the exact time that state

governments are facing massive budget deficits, reducing funding and, in some cases, eliminating historic preservation programs.

A recent survey of SHPOs found that State budget reductions were having the following impacts on historic preservation programs:

- Nearly half the SHPOs expect state cuts in FY09 at an average 13%.
- Thirteen states out of 35 report loss of staff and 30 reported hiring freezes.
- More than 70 recreational and historic sites around the country are currently threatened with closure because of state budget shortfalls. The sites at risk include the oldest building in Idaho and a sacred Native American ancestral village in Arizona.
- In Nevada, funding for the state historic preservation office could be cut in half, and the Nevada Historical Society's ten-person staff would be reduced to five.
- Budget cuts in Kentucky are expected to negatively impact Main Street programs and grant funds.ⁱⁱ

While SHPOs operate under these fiscal restraints, federal stimulus projects are being “fast-tracked” to create jobs and generate investments. Handling the unprecedented volume of projects for historic preservation reviews with fewer resources is a challenge. For projects that are controversial or fall short of “shovel-ready” status, SHPOs must be ready to resolve and mitigate the issues in a timely manner. While it will not solve today's problems, providing \$50 million to SHPOs in FY10 will add critically needed resources to expedite federal agencies' delivery of stimulus dollars.

It is also worth noting that the National Conference of State Historic Preservation Officers (NCSHPO) had requested \$50 million in the ARRA for a rehabilitation grant program. This program was to be modeled after the successful 1983 Jobs Act program which created 14,286 jobs, produced \$70 million in construction activities, and generated \$46.6 million in non-federal matching funds - a nearly 2:1 overmatch. We were disappointed the House stimulus did not include funding, and that the \$50 million provided in the Senate bill was eliminated in the bipartisan compromise. SHPOs across the country have long lists of SHPO approved, shovel-ready projects, just waiting for funding. As additional opportunities arise we look forward to working with the appropriations committee to enact this job creation program.

Historic Preservation is Economic Development

Preserving the physical reminders of our past creates a sense of place and community and generates a wide range of economic benefits. Historic preservation creates jobs, brings people to downtowns and Main Streets, supports affordable housing and small businesses and generates tax revenues while revitalizing communities and neighborhoods.

The Federal Historic Rehabilitation Tax Incentives Program (FRTC) has spurred private investment on a 5 to 1 ratio and is a powerful job creation tool. Over \$50.82 billion in private investment has been leveraged from its inception in 1976 and each project approved by the NPS creates, on average, 42 new and principally local jobs. The following statistics are typical of the positive findings of preservation's economic benefits:

- Historic preservation activities generate more than \$1.4 billion of economic activity in Texas each year.

- Each dollar of Maryland’s historic preservation tax credit leverages \$6.70 of economic activity within that State.
- Massachusetts benefits from historic preservation include a gain of about 87,000 jobs; \$2.6 billion in income, \$3.5 billion in GSP, \$944 million in taxes.
- In New York State, \$1 million spent rehabilitating an historic building ultimately adds \$1.9 million to the state’s economy.ⁱⁱⁱ

Dollar for dollar, historic rehabilitation creates more jobs than most other investments. According to a 1997 study on the economic impacts of historic preservation, “preservation’s benefits surpass those yielded by such alternative investments as infrastructure and new housing construction.”^{iv} In Michigan, \$1 million in building rehabilitation creates 12 more jobs than manufacturing. In West Virginia, \$1 million of rehabilitation creates 20 more jobs than mining \$1 million worth of coal.^v

Preservation is Sustainability

Historic preservation can – and must – be an important component of any effort to promote sustainable development. The conservation and improvement of our existing built resources, including re-use of historic and older buildings, greening the existing building stock, and reinvestment in older and historic communities, is crucial to using our past to create a better future for generations to come.

The National Historic Preservation Program and SHPOs are responsible for the administration of public and private initiatives that advance sustainability. Environmental responsibility is achieved in the preservation industry through recycling, waste reduction, saving landfill space, saving energy, reducing carbon emissions and promoting renewable resources. The sustainable economic benefits include fiscally viable communities, the use local labor forces, increases in property values and tax bases and heritage tourism. Historic preservation also promotes social and cultural responsibility through creating affordable housing, giving people a sense of place and community and incorporating smart growth principles.

Importance of Digital Records

The key to protection of our nation’s historic resources lies not only in identifying them, but in making information about their location and importance widely available. Yet, in this age of electronics, spending hours upon hours - if not days - traveling to one location, only to spend additional hours searching through piles of maps, charts and documents, is typical for anyone who needs access to SHPO documents. Providing \$5 million for competitive grant funds for digitization and inventory would provide the seed money needed to move SHPOs into the electronic era.

Specifically, inventory funds would be used for two purposes 1) to convert existing paper records to electronic formats (data bases, GIS) and 2) to conduct inventory fieldwork, filling in the current patchwork of identified sites which is essential for federal project review (Section 106) and lays a foundation of every future preservation activity, e. g., National Register).

The State of Washington, and a select few other SHPOs have made remarkable progress assembling a patchwork of funding to initiate digital access to inventory information, other

SHPOs around the country are not as fortunate. After 40 years of the national preservation program we, as a Nation, still do not know the location of hundreds of thousands of our historic resources. Knowing what we have and defining the location and significance of the Nation's historic assets, is fundamental for all historic preservation activities. (NHPA 1966)

2008 State Historic Preservation Offices' Accomplishments

SHPOs used their HPF allocations well in 2008. While virtually every state experienced cut backs and reductions, SHPOs are still charged with implementing the requirements of the NHPA to their fullest extent. Highlights of 2008 historic preservation accomplishments include:

- Over \$5.64 billion of private investment in the rehabilitation of commercial historic properties under the FRTC.
- An estimated 67,705 jobs created by the FRTC program in 2008.
- 10,392 low and moderate income housing units created through the FRTC.
- Approximately 11 million acres surveyed for cultural resources and over 132,300 properties evaluated for their historical significance.
- 1,319 new listings in the National Register of Historic Places.
- SHPOs reviewed 114,000 Federal undertakings, providing 98,700 National Register eligibility opinions.
- 51 new communities became Certified Local Governments (CLGs)
- CLG's newly designated 48,200 properties, and 86,600 properties took part in local preservation review, programs, and incentives.

Funding for Additional Historic Preservation Programs

In addition, from the HPF NCSHPO supports \$20 million for Tribes. We also would like to see \$30 million for Save Americas Treasures and \$10 million for Preserve America. Additionally, adequate funding for the Advisory Council on Historic Preservation and National Park Service historic preservation programs is needed to carry out their missions of promoting the preservation of historic resources.

Conclusion

Congress stated in 1966 that "The spirit and direction of the nation are founded upon and reflected in its historic heritage." 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 through our partnership, SHPOs stand committed to identify, protect, and maintain our Nation's historic heritage.

Thank you.

ⁱ The National Trust for Historic Preservation: www.preservationnation.org/resources/public-policy/perfect-storm.

ⁱⁱ NCSHPO Survey of SHPOs conducted February 2009.

ⁱⁱⁱ New York Preservation League, Profiting Through Preservation 2002 pp 6.

^{iv} Center for Urban Policy Research at Rutgers University, Economic Impacts of Historic Preservation 1997:11.

^v Rypkema publication 13, pp 11-12.