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JOINT LEGISLATIVE BUDGET HEARING ON 2019-20 EXECUTIVE BUDGET PROPOSAL: TOPIC ENVIRONMENTAL CONSERVATION

Testimony of the Preservation League of New York State on the New York State Office of Parks, Recreation and Historic Preservation

Wednesday, January 23, 2019

Legislative Office Building, Hearing Room B, Albany, New York

Testimony given by Erin Tobin, Vice President for Policy and Preservation, Preservation League of New York State

Chairwoman Krueger, Chairwoman Weinstein, and distinguished members of the Senate and Assembly, thank you for the opportunity to speak with you today about the importance of supporting the NYS Office of Parks, Recreation and Historic Preservation.

As New York State's only statewide historic preservation nonprofit organization, the Preservation League of New York State invests in people and projects that champion the essential role of preservation in community revitalization, sustainable economic growth, and the protection of our historic buildings and landscapes. We lead advocacy, economic development, and education programs across the state and partner with local preservation organizations throughout New York.

NYS Historic Tax Credit

Thank you for reauthorizing the NYS Historic Tax Credit last year. Thanks to the Legislature's five-year extension of this successful economic development program and protection from changes made to the Federal Historic Tax Credit, developers are continuing to invest in vacant and underutilized historic buildings throughout New York State, bringing new life to Main Streets, historic neighborhoods, and industrial corridors in economically challenged communities.

This year, we seek enhancements to our State Historic Tax Credit, further encouraging investment in projects that bring about community revitalization, sustainable economic growth, and the protection of historic buildings and landscapes.

To further these goals, the Preservation League is focusing on the following for our legislative advocacy:

- Ability to directly transfer NYS Historic Tax Credits.
 - Transferring NYS Historic Tax Credits provides a greater return on New York State's tax credit dollar, driving more investment into economic development rehabilitation projects.
 - We would like to see the historic tax credit mirror the transferability mechanism that was obtained for the Low-Income Housing Tax Credit in the FY 2018-19 budget.
- Increasing the NYS Historic Tax Credit for small projects.
 - 30% for projects under \$5 million. Owners of smaller historic buildings, the type typically found in a Main Street neighborhood commercial corridor, are challenged to make a historic rehabilitation project feasible in projects under \$5 million. Many investors will not engage with projects at or below this level and the floor on consultant expenses often means a project will not break even. This boost for smaller historic projects will fill that gap.
- Qualifying every city under one million with a 25% poverty threshold for the NYS Historic Tax Credit.
 - Allowing entire cities in upstate New York to qualify for this economic development incentive will benefit cities and the state overall, removing qualification ambiguity.

We believe that these improvements will help small business and Main Street building owners rehabilitate their historic buildings, while ensuring that the NYS Historic Tax Credit serves as an incentive throughout our upstate urban centers.

We also support the Governor's proposal under Part U of the Governor's 2020 Budget Revenue Bill, making all NYS Parks qualify for the NYS Historic Tax Credit, regardless of census tract median family income.

NYS Office of Parks, Recreation and Historic Preservation

The Preservation League is glad to see continued support for the NYS Office of Parks, Recreation and Historic Preservation (OPRHP) in the Executive Budget. Through its parks and historic sites, NYS OPRHP stewards hundreds of historic buildings. The Preservation League appreciates the commitment of Governor Cuomo and the NYS Legislature to address this maintenance and improvement backlog through funding and public/private partnerships. We believe that an inventory of historic properties owned by the NYS Office of Parks, Recreation and Historic Preservation (OPRHP) would help the agency best prioritize their maintenance and improvement needs.

Over the last year, the Preservation League has been engaged in advocacy for Parrott Hall, which is owned by OPRHP and almost demolished due to lack of maintenance. We are grateful to the Governor for awarding a \$400,000 Environmental Protection Fund grant to the City of Geneva for initial stabilization and rehabilitation of Parrott Hall and look forward to working with our colleagues at OPRHP and local partners on this project.

To prevent the next Parrott Hall, we believe a survey of OPRHP-owned buildings over 50 years old is necessary. As the 2006 Parks and Trail New York report, *Parks at a Turning Point*, catalyzed a future parks infrastructure investment for OPRHP, the Preservation League believes that a comprehensive inventory and baseline condition assessment of OPRHP's older buildings, delivered to the NYS Legislature, would inform capital improvement prioritization and leverage investment by outside partners.

The Preservation League also appreciates the continued support for the Division for Historic Preservation, noting that our New York State dollars are leveraged with federal money through the Historic Preservation Fund. While the funding and staffing for the Division for Historic Preservation remains flat under the 2020 Executive Budget Proposal, the workload of the Division continues to grow. In our work across the state, the Preservation League regularly hears a call for increased staff in the Division for Historic Preservation, to meet community needs and ensure that projects continue to move forward.

Environmental Protection Fund

Thank you to Governor Cuomo and the NYS Legislature for your commitment to fully funding the Environmental Protection Fund at \$300 million, including funding for parks and recreation. NYS OPRHP funds crucial historic preservation projects with Environmental Protection Fund (EPF) grants. EPF grants for historic preservation are often the primary funding source for nonprofits or municipalities seeking to restore their courthouse, town hall, library, historic house of worship, or nonprofit arts and cultural center. These grants then leverage private fundraising to preserve community anchors and centers of cultural tourism.

Summary

In addition to our primary budget priority regarding the NYS Historic Tax Credits, the Preservation League strongly supports continued, and hopefully increased, funding for the NYS Office of Parks, Recreation and Historic Preservation, with attention to preservation and rehabilitation of the agency's historic buildings, as well as maintaining the Environmental Protection Fund at the level proposed in the Executive Budget.

Thank you for your time and attention today and for inviting the Preservation League to testify. We are happy to provide additional information about NYS OPRHP and EPF funding and their impact on historic preservation at the Committee's request.