

SB425 -Preservation Maryland-FAV.pdf

Uploaded by: Katie Parks

Position: FAV

**Testimony of Katie Parks
Vice President, Preservation Maryland**

Before the
Appropriations Committee

March 29, 2023

Pertaining To: SB425

*Maryland Historic Trust – Historic Preservation Loan Fund – Qualified Cooperating
Nonprofit Organizations - Transfers*

Favorable

On behalf of the staff and Board of Directors of Preservation Maryland and our thousands of statewide supporters, I thank you for the opportunity to provide testimony in **SUPPORT of SB425** – a piece of legislation that invests in our state’s history and communities.

Preservation Maryland is the statewide voice for historic preservation that works to protect the best of Maryland. Since 1931, we have worked tirelessly to protect the places, stories and communities in Maryland that matter. (Learn more at: presmd.org)

Why Is This Bill Necessary?

The Need for Speed

A revolving loan fund program has existed with the Maryland Historical Trust (an agency of the Maryland Department of Planning) since 1973 – but in recent years has been underutilized due to challenging requirements, a changing landscape of preservation, and easement requirements which often keep potential recipients from applying.

The High Cost of Historic Rehabs

The cost of rehabilitating vacant and underutilized historic structures increases daily and Maryland communities across the state need an agile, easy to deploy source of funds that is quickly able to support nonprofits, governments and businesses working to put these buildings back into productive use.

Partnerships Work Best

Many other states have transferred similar funds to creative and responsive nonprofit organizations – including our neighbors in Virginia where *Preservation Virginia* has managed a similar fund with great success over the past two decades. This redesigned program would allow each partner to do what they do best and save more historic places.

What this Bill Does

This legislation is simple. After a thorough conversation with MDP/MHT, the bill will provide the Maryland Historical Trust with the authority to transfer funds from the existing fund to a qualified nonprofit preservation organization for certain purposes and generally relating to the Historic Preservation Loan Fund. The new Fund will be designed to revolve and exist in perpetuity. The legislation requires annual reporting, transparency requirements and audit standards.

The nonprofit selected will be able to utilize the funds to rehabilitation, restore and reinvest in historic places through loans, direct acquisition, option agreements and grants to accelerate the preservation of important historic places.

Why You Should Vote for This Bill

Without new appropriations, the legislation allows for the redeployment of existing funds to help invest in Maryland communities.

SB425 is an innovative way of redeploying existing funds to save more historic places and support communities across the state. Therefore, I respectfully urge a favorable report on SB425.

Favorable

SB 425, FAV, House, Frederick County Livable Frede

Uploaded by: Victoria Venable

Position: FAV



FREDERICK COUNTY GOVERNMENT

DIVISION OF PLANNING & PERMITTING

Livable Frederick Planning & Design Office

Jessica Fitzwater
County Executive

Steven C. Horn, Division Director
Kimberly Gaines, Director

SB 425 - Maryland Historic Trust – Historic Preservation Partnership Program and Fund – Established

DATE: March 29, 2023
COMMITTEE: House Appropriations Committee
POSITION: Favorable
FROM: Kim Gaines, Livable Frederick Planning and Design Office

On behalf of the Livable Frederick Planning and Design Office, I urge the committee to give SB 425 a favorable report.

Frederick County contains a wealth of historic resources including pre-historic archeological sites, historic farmsteads, bridges, and rural villages. As a testament to our support for the preservation and enhancement of historic properties, Frederick County annually funds the Rural Historic Preservation Grant program for the rehabilitation, restoration, and preservation of historic properties. With support from this program, the owners of historic churches, barns, and farmsteads have made critical improvements to their properties, so they remain as connections to our shared past.

The Historic Preservation Partnership Fund would likewise provide much-needed financial support to owners of historic properties. While the revolving fund program has existed within the Maryland Historical Trust since the last 1970s, it has been infrequently used in recent years. Frederick County supports the transfer of these funds to a preservation-oriented non-profit organization that can be more responsive and agile in the preservation real estate landscape. The Historic Preservation Partnership Fund would replicate a successful model in the Commonwealth of Virginia, where Preservation Virginia has managed a similar fund for two decades.

Thank you for your consideration SB 425. On behalf of the Livable Frederick Planning and Design Office and the residents of Frederick County, I urge a favorable report.

Kimberly Gaines
Livable Frederick Director
kgaines@frederickcountymd.gov
o: (301) 600-1144

SB 425 MD Historic Trust – Historic Preservation L

Uploaded by: Jordan BaucumColbert

Position: INFO



LETTER OF INFORMATION

Bill: SB425 - Maryland Historic Trust – Historic Preservation Loan Fund – Qualified Cooperating Nonprofit Organization – Transfer

Contact: Debra Borden, General Counsel
Jordan Baucum Colbert, Government Affairs Liaison

Date: March 29, 2023

Re: Letter of Information

Dear Chair Ben Barnes and Vice Chair Mark S. Chang,

The Maryland-National Capital Park and Planning Commission (the "Commission") elects not to take a position on this bill at this time. However, the Commission respectfully requests the Appropriations Committee to consider this information and include it in the record.

The Commission owns and operates a vast and unique collection of historic properties. Our historic preservation units administer multimillion-dollar budgets and works closely with colleagues across the various departments as well as external partners at the community, state and national levels to preserve rare resources and cultural treasures. The current bill provides positive changes to Maryland Historic Trust's (MHT) existing loan program, which could provide greater opportunities for historic property owners in Montgomery and Prince George's Counties to access crucial funding for rehabilitation. Similarly, the proposed partnership program could benefit the County's' historic preservation programs to the extent that the intended "Qualified Cooperating Nonprofit Organization" actively promotes and seeks participation from eligible participants and properties in the Counties.

For your consideration, we offer the following comments.

Section (i)(5), which states that "An individual or business entity may receive a loan only if the recipient can document that private financing is unavailable."

It is unclear what defines "unavailable" in this context, and what threshold must be met to satisfy this requirement. Is the intent for MHT to take on risk that a private lender finds unacceptable based on the applicant's creditworthiness? Does "unavailable" mean a certain number of rejected loan applications? Does it mean that the condition of the property is such that its value is inadequate for the purpose of securing a private loan? Clarifying language describing the sponsors' intent would be very helpful.

Section (i)(6), which states that "The Trust shall ensure that no loan is made under the MHT Loan Program to acquire, restore, or rehabilitate a historic property unless the historic property is listed in or eligible to be listed in the Historic Register."

If "Historic Register" means "National Register of Historic Places," this should be clarified. Also, would properties that have previously been the subject of a negative Determinations of Eligibility be reassessed at the time an application for the loan program is received? Many DOEs have been completed as part of compliance projects (e.g. SHA) without the benefit of in-depth research or

community engagement. As the National Register seeks to expand the diversity of resources it includes, reliance on previous DOEs may disqualify properties that embody underrepresented history from accessing crucial funds for rehabilitation.

Section (j)(2-3), which states that MHT must be granted an historic preservation easement for real property supported by the Loan Fund, unless the state "finds that an agreement is impracticable."

In what cases would an easement be impracticable, and what alternate means are contemplated for securing MHT's interest in properties it has supported? Would the easement be perpetual, or would it be extinguished upon repayment of the loan in full?

With respect to the Partnership Program, Section (B)(2), which states that MHT will establish a "competitive process" for making awards under the program, and that the Qualified Cooperative Nonprofit Organization will administer the program in a manner consistent with this process.

The "competitive process" established by MHT should include one or more criteria to ensure equitable geographical distribution of awards among political subdivisions within the State.