

Historic¹ Preservation **By Rachel Jones** **University at Buffalo Law Student**



1. What is Historic Preservation?

Historic preservation is the physical rehabilitation of historical buildings and neighborhoods. The United States began its campaign for preservation in the 1960s.ⁱ

2. What is the National Historic Preservation Act?

Historic preservation has been a concern for the United States for a long time. In 1966, the federal government established the “National Historic Preservation Act”. The purpose of the act was to insure that the cultural and historical foundations of the country were preserved in the face of development that was increasingly destroying landmarks that were crucial to the future development of the country.ⁱⁱ Congress found that the cultural and historical basis of the nation needed to be preserved to give a sense of “orientation” to the American people. The goals of the act were specific, calling for any

measure needed, including financial support, to maintain a balance between the current society and prehistoric and historic resources.ⁱⁱⁱ

3. How can you get funding for historic preservation?

There are a number of ways to get funding for historic preservation. There are special tax credits allowed for historic preservation projects. The funding depends on the type of preservation

- The 20% **Federal Investment Tax Credit** is very beneficial for restorations. If you own an income producing real property, and you meet the qualifications of the Secretary of the Interior's Standards for Rehabilitation, you could qualify for the tax credit. In essence, the federal government pays for 20% of rehab costs.^{iv} The credit is available to owners of historic industrial, office, commercial, or rental residential buildings. Private homes do not qualify for this.^v
- If a property qualifies for the Federal Investment tax credit, it can also qualify for the **New York State Historic Tax Credits Program**. With this credit, owners of the income producing real property can obtain 30% of the federal credit value up to \$100,000.^{vi}
- Also, there is the **New York State Historic Homeownership Rehabilitation Tax Credit** for work done on historic residential structures. This credit pays 20% of qualified costs with a value up to \$25,000. To qualify for this credit, the house in question must be an owner-occupied residential structure that is listed on the State or National registry of Historic Places or a building contributing to a district that is listed on one of the registries. Also, the house must be located on a “distressed” tract, as defined by the Internal Revenue Code.^{vii}
- The **Historic Barn Tax Credit** is important to many in New York State. This credit allows for 25% of the cost to restore historic barns. For a barn to qualify for this credit, it must be income producing and it has to have been erected prior to 1936. Restoration cannot change the exterior appearance of the barn.^{viii}



- Under the **Buffalo's Historic Property Exemption Law of 1998**, certain rehabilitated properties are eligible for tax abatements. The City will exempt the increase in value that comes from the rehabilitation, with a 100% exemption for the first five years, which is then phased out over the next four years.^{ix}
- While not a historic preservation credit per se, the **New Market Tax Credits Program** (NMTC) allows taxpayers to receive a credit against their federal income taxes if they have made qualified equity investments in the designated Community Development Entities (CDE). The CDE must use the equity investment in low-income communities.^x This is important because it requires re-investment in neighborhoods that need it most.

Tax credits are not the only source of funding for Historic preservation. There are also many grant opportunities available.

- The Preservation League of New York State has a funding program called the Preserve New York Grant Program.^{xi} This program provides funds to the New York State Counties every year. In the year 2006, a grant worth \$7,000 was given to Williamsville to create a report for the Williamsville Water Mill.^{xii} In 2007, the Town of Clarence received \$5,000 to do a survey of the historical value of a good portion of the town, and to document pertinent historical information.^{xiii} Over \$87,000 was granted to 12 different counties in New York State in 2007 by the Preserve New York Grant Program.



(Williamsville Water Mill)

- The Certified Local Government program is run by the NYS Office of Parks, Recreation and Historic Preservation. To be labeled a CLG, local preservation legislation must be created, and there must be a formal partnership with the State's Historic Preservation Office. Once this is accomplished, grants can be sought to restore properties that are listed as historical sites.^{xiv}
- The Environmental Protection Fund also provides grant money for the restoration of places listed in the national registry of historical places.^{xv}
- The Johanna Favrot Fund for Historic Preservation and the Cynthia Woods Mitchell Fund for Historic Interiors are both funding programs that provide for historical preservation. Both funds provide grants to non-profit and public agencies for preservation.^{xvi}
- The New York State Environmental Protection Fund's Quality Communities Program provides funding for different kinds of preservation. This organization focuses on community revitalization and land-use planning.^{xvii} These are crucial functions to ensure the cultural texture of an area.

There are a number of different organizations that provide funding for historic preservation and the Landmark Society provides a listing of some of them at <http://www.landmarksociety.org/section.html?id=1&uid=8&pageId=75>.



(Picture of A building in historic Hamlin Park area)

4. Have there been any recent attempts at legislation to improve the status of historical preservation?

In June of 2008, the Senate and Assembly approved a historic preservation bill (**S.5425/A.30000**), to improve New York State's Historic Preservation Tax Credit programs. The update was designed to expand the benefits of the program so that they reach more municipalities and residential neighborhoods in New York State.^{xviii} The Bill had the support of a broad variety of politicians, including Mayor Brown.^{xix} Governor Paterson recently vetoed this bill. Paterson claims that the increased cost that the bill would have in New York State is just not feasible at this time. He is advocating a tight budget because of the financial situation that NYS is in now.^{xx} Paterson says that the 2009 budget is already at a \$5 billion deficit, especially with the devastation of the stock market, and he could not support a cost increase to the state without knowing the potential financial increase in 2009.^{xxi}

In response to the Governor's veto, the President of the Preservation League of New York State, Jay DiLorenzo, said that this is an incredible setback for citizens who are interested in the economic stability of our cities and for preservationists. He also said that a request has been made for the Bill to be included with the 2009 Budget.^{xxii}

5. What effect does historic preservation have on economic and community development?

- Historic preservation has many positive effects on depressed communities. A 2004 article, called "Tax Incentives for Historic Rehabilitation in Western New York," notes that historic preservation has the same positive effect as new construction does. Also, the article states that preservation provides jobs, strengthens tourism, and provides denser growth patterns.^{xxiii} All of these aspects that are affected by historic preservation are important to economic development. In 2000, the Preservation League of NYS said that spending 1 million dollars on a rehab would add 1.9 million dollars to the state's economy.^{xxiv}
- According to supporters of the recently vetoed preservation bill, the bill would have improved economic and community development. The President of the Preservation League of New York State, Jay DiLorenzo, said that the tax credits for preservation provide older neighborhoods and downtowns with the support that they need to grow.^{xxv} It has also been said that the more distressed

neighborhood would benefit from the bill because it would have doubled the credit value and allowed home owners to apply the credit as a tax rebate.^{xxvi}

Also, supporters believe that the legislation would have made a difference in the number of vacant houses that are crippling many depressed areas, especially in Buffalo, because around 26,000 of these houses would have been eligible for a tax credit.^{xxvii}

6. Are there any preservation entities in Buffalo?

Buffalo has agencies that are devoted to historic preservation and restoration. These include, the Landmark Society of the Niagara Frontier^{xxviii}, the Preservation Coalition of Erie County^{xxix}, the Buffalo and Erie County Historical Society^{xxx}, and the Buffalo Friends of Olmsted Parks^{xxxi}.



(Buffalo and Erie County Historical Society building)

Also, there is the City of Buffalo Preservation Board, currently chaired by Richard C. Baer. The purpose of the board is to help owners of historic property maintain their properties in a manner that is consistent with the city's Preservation Standards. The board is involved in city-wide preservation planning, and it reviews and approves all proposed changes to any structure that has been designated a historical structure or landmark.^{xxxii}

ⁱ <http://www.realestatemate.com/Content/glossary/rmgate.asp?Letter=H>

ⁱⁱ <http://www.achp.gov/NHPA.pdf>

ⁱⁱⁱ http://www.nps.gov/history/local-law/FHPL_HistPrsrvt.pdf

^{iv} <http://www.nysparks.state.ny.us/shpo/investment/income.htm>

^v http://www.nysparks.state.ny.us/shpo/investment/freq_questions.htm

^{vi} <http://www.nysparks.state.ny.us/shpo/investment/income.htm>

^{vii} <http://www.nysparks.state.ny.us/shpo/investment/income.htm>

^{viii} <http://www.landmark-niagara.org/LNDMK/incent.html>

^{ix} <http://www.landmark-niagara.org/LNDMK/incent.html>

^x http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=5

^{xi} <http://www.preservenys.org/>

^{xii} http://www.preservenys.org/01_what_grants_presny_2006.html

^{xiii} http://www.preservenys.org/01_what_grants_presny_2007.html

^{xiv} <http://www.landmarksociety.org/section.html?id=1&uid=8&pageId=75>

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- xv <http://www.nysparks.com/grants/programs/historic.asp>
- xvi <http://www.preservationnation.org/resources/find-funding/nonprofit-public-funding.html#funds>
- xvii <http://www.landmarksociety.org/section.html?id=1&uid=8&pageId=75>
- xviii <http://readme.readmedia.com/news/show/Gov-Paterson-Veto-Enhanced-Historic-Rehab-Tax-Credits/294117>
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- xxvi <http://www.buffalonews.com/258/story/448859.html>
- xxvii <http://www.buffalonews.com/258/story/448859.html>
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- xxix <http://preserve.bfn.org/index.html>
- xxx <http://www.bechs.org/>
- xxxi <http://www.buffaloolmstedparks.com/>
- xxxii [http://www.ci.buffalo.ny.us/Home/City_Departments/Office_of_Strategic_Planning/Preservation Board](http://www.ci.buffalo.ny.us/Home/City_Departments/Office_of_Strategic_Planning/Preservation_Board)
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