

SB0425-BT_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



MARYLAND
Association of
COUNTIES

Senate Bill 425

*Maryland Historic Trust – Historic Preservation Partnership Program and Fund –
Established*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 15, 2023

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 425. Counties recognize the need to incentivize the preservation of historic properties.

Maryland is blessed with a rich bounty of historic sites and notable structures. As state leaders look forward, the preservation of these sites is critical as they can serve as a driver of community redevelopment and economic growth.

Public policy that provides tools for jurisdictions to further preservation efforts is a positive step for both communities and broader economic development. Redeveloped historic sites can help drive future growth, and strategic place-making initiatives, providing a possible source of new affordable housing, job creation through tourism, and cultural and historical educational value.

Any program that supports the aforementioned preservation and development efforts is a step in the right direction. For this reason, **MACo SUPPORTS** SB 425 and urges a **FAVORABLE** report.

MBIA Letter of Support SB 425.pdf

Uploaded by: Lori Graf

Position: FAV

February 13, 2023

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
Miller Senate Office Building,
3 West Wing 11 Bladen St.,
Annapolis, MD, 21401

RE: Support of SB 0425 Maryland Historic Trust – Historic Preservation Partnership Program and Fund – Established

Dear Chairman Guzzone:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB 0425 Maryland Historic Trust – Historic Preservation Partnership Program and Fund – Established**. MBIA **Supports** the Act in its current version.

This bill establishes the Historic Preservation Partnership Program in the Maryland Historic Trust to implement and encourage the preservation of historic properties in partnership with a qualified cooperating nonprofit organization. Our members that deal with historic properties will benefit a great deal from this measure, as they will get adequate financial assistance from the State for various preservation projects. Establishing this fund will ease financial burdens on historic property owners, and help us continue to preserve our state's history.

For these reasons, MBIA respectfully requests the Committee give this measure a **Favorable** report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Budget and Taxation Committee

SB 0425 AIAMD Itr of support.pdf

Uploaded by: Sandi Worthman

Position: FAV



February 13, 2023

The Honorable Guy Guzzone
Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: Letter of Support for Senate Bill 0425 - MHT - Historic Preservation Partnership Program and Fund

Dear Chairman Guzzone and members of the Budget and Taxation Committee:

We are writing to offer AIA Maryland's support for Senate Bill 0426 to allow for our nonprofit partner organizations to be able to take advantage of a new loan program administered by the Maryland Historical Trust. Surrounding states, such as Virginia, Delaware, and New Jersey, already have similar legislation in place and experience very positive outcomes for their endangered historic properties as a result. Since this would be a loan program and only available to nonprofits, there would be an application process, state review and nonprofit board oversight, ensuring efficient accounting for the program. This bill could enable more organizations in Maryland, who because of nonprofit status would not ordinarily afford such costly undertakings, to participate in an historic preservation program encouraging direct and immediate investment in our state's older structures when urgently required.

Why does this matter? Preservation protects the cultural and aesthetic qualities of our older neighborhoods, providing a sense of community cohesion. Historic neighborhoods often attract the most diversity, and they retain a greater percentage of their residents over time, creating social stability. Historic rehabilitation makes use of existing development and infrastructure, slowing sprawl and preserving farmland and open space. It employs thousands of Marylanders in good paying, permanent positions in all parts of the state. Rehabilitation also typically increases local property values, resulting in greater property tax revenue.

AIA Maryland represents approximately 2,000 Architects in the state of Maryland. Because of our state's long and impressive history, many of our members conduct research, advocate for, and successfully work on historic projects. We believe that Maryland must continue to fund supportive preservation programs across the state. Historic preservation not only preserves our state's rich history, but it is also business friendly and economically beneficial. Historic preservation programs have been proven to have profound economic impacts in our state, and there are numerous environmental and carbon benefits associated with preserving our existing building stock.

We encourage you to vote in favor of this legislation and encourage your continued commitment and investment in the Maryland Historical Trust and its critically important preservation programs. Thank you for your consideration and your vote!

Sincerely,

A handwritten signature in blue ink that reads "Barton Ross".

Barton Ross, AIA
President

SB 425, FAV, Frederick County Livable Frederick, G

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: February 15, 2023
COMMITTEE: Senate Budget and Taxation 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

SB425_Testimony.pdf

Uploaded by: Elizabeth Hughes

Position: FWA



Maryland
DEPARTMENT OF PLANNING
MARYLAND HISTORICAL TRUST

HEARING DATE: February 15 at 1:00 PM

BILL NO: SB425

COMMITTEE: Budget and Taxation

POSITION: Support with Amendments

FOR INFORMATION CONTACT: Kristin Fleckenstein (410) 767-7243

TITLE: Maryland Historic Trust – Historic Preservation Partnership Program and Fund - Established

BILL ANALYSIS:

As initially drafted, SB425 extinguished the Maryland Historical Trust (MHT) Historic Preservation Loan Program and Fund, and replaced it with the "Historic Preservation Partnership Program and Fund" which would require MHT to transfer all loan fund appropriations as well as current and future loan repayments to a "qualified cooperating nonprofit organization." Under this scenario, MHT would cease to have the ability to make loans, use loan repayments to support administration of its existing loan portfolio, or use loan funds to pay for rehabilitation of historic properties owned by MHT. Instead, the recipient organization would use MHT loan funds to acquire historic properties for resale or lease, to restore or rehabilitate historic properties owned by the organization for resale or lease, and to make loans to other nonprofit organizations, political subdivisions, and business entities to acquire, rehabilitate, restore or refinance historic properties, and to make loans to individuals to rehabilitate or restore national historic landmark properties. The recipient organization would also use the funds for administrative and programmatic expenses associated with carrying out these activities.

Anticipated amendments to the bill would allow MHT to continue to make loans from the MHT Loan Program and Fund, use funds to support administrative costs necessary to manage its existing loan portfolio, and would permit MHT to make expenditures from the MHT Loan Fund to a "qualified cooperating nonprofit organization" for all of the types of activities envisioned in the initial bill draft.

POSITION AND RATIONALE:

Created in 1973, the MHT Loan Program has made over 60 loans during the fifty-year life of the program. MHT Loans are designed to provide assistance to historic properties, often endangered, that have access to few alternative funding sources or that require more funding than the MHT Capital Grant Program provides. To be eligible for loans, properties must be listed on or eligible for listing on the Maryland Register of Historic Properties. Loan funds can be used for acquisition, rehabilitation and refinancing of historic properties. Loan funds can also be used to finance rehabilitation of historic properties owned by the Trust. Loan recipients are required to convey an historic preservation easement on the assisted property to MHT.

The MHT Loan Program was especially active during those years when interest rates were high and public funding for historic preservation projects was scarce. In recent years, the program has been less active and supported almost entirely by loan repayment monies. Over the past five years only the FY23 capital budget included an influx of new cash consisting of \$150,000 in general fund monies.

Elements which depress demand for the MHT Loan Program include the fact that most non-profit organizations and local governments prefer to seek grant funds which do not need to be repaid. During years of low-interest rates, conventional loans from commercial lenders were more attractive to potential applicants since those loans do not require the conveyance of an historic preservation easement to MHT. In the case of business entity and private individual applicants, the statutory requirement that they provide evidence of their inability to obtain or afford private financing has severely restricted the universe of potential applicants for the MHT Loan Program.

While the MHT Loan Program continues to serve a public purpose, there is an untapped opportunity to use the MHT Loan Fund to support statewide nonprofit partners in carrying out capital historic preservation projects in ways that are fast and flexible. MHT supports amendments to SB425 that leave the MHT Loan Program intact but allows the agency to direct MHT Loan Fund monies to a selected nonprofit partner who can then use the funds in creative and entrepreneurial ways to capitalize and build their own loan program or to acquire or rehabilitate historic properties that are in critical condition. In this way, the MHT Loan Program may support multiple paths to positive preservation outcomes.

SB425 -Preservation Maryland-FAV W Amendments.pdf

Uploaded by: Nicholas Redding

Position: FWA

**Testimony of Nicholas A. Redding
President and CEO, Preservation Maryland**

Before the
Senate Budget and Taxation Committee

February 15, 2023

Pertaining To: SB425

*Maryland Historic Trust – Historic Preservation Partnership Program and Fund –
Established*

Favorable with Amendments

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, new amendments (forthcoming) streamline the bill further and will provide the Maryland Historical Trust with the authority to make an expenditure from the existing fund to establish a Preservation Partnership Fund at a qualified nonprofit preservation organization. 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 the to-be amended version of SB425.

Favorable with Amendments

Elfreth_FAV_SB425.pdf

Uploaded by: Sarah Elfreth

Position: FWA

SENATOR SARAH ELFRETH
Legislative District 30
Anne Arundel County



James Senate Office Building
11 Bladen Street, Room 104
Annapolis, Maryland 21401
410-841-3578 · 301-858-3578
800-492-7122 Ext. 3578
Fax 410-841-3156 · 301-858-3156
Sarah.Elfreth@senate.state.md.us

Budget and Taxation Committee

Subcommittees

Capital Budget

Pensions

Chair, Public Safety,
Transportation, and Environment

Joint Committee on the Chesapeake and
Atlantic Coastal Bays Critical Area

Chair, Joint Subcommittee on
Program Open Space/Agricultural
Land Preservation

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 10th, 2023

Testimony in Favor of SB0425
Maryland Historic Trust – Historic Preservation Partnership Program and Fund –
Established

Chairman Guzzone, Vice-Chair Rosapepe, & members of the Budget and Taxation Committee,

I respectfully request a favorable report of Senate Bill 425, which will ensure that the currently underutilized Historic Preservation Loan Program can be used effectively to help further fund important preservation efforts here in Maryland.

As this Committee knows – the laws and programs we pass here in the General Assembly are only as good as they are able to be executed by the different Departments or Agencies that oversee them – and the Historic Preservation Loan Program is no different. Due in large part to bureaucratic hurdles and other difficulties, MHT has been unable to fully utilize this important preservation tool.

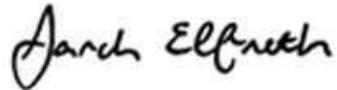
The legislation as drafted was introduced to abolish the Loan fund and transition it into Partnership Program and Fund to be operated by a qualifying non-profit organization – with the underlying goal being that the nonprofit can more quickly and efficiently get money out the door quicker. However, after meeting with both MHT and Preservation Maryland I am proud to report that we have found a solution that will make all parties support the bill.

We have been working with the amendment office to create finalized language based on this agreement, but unfortunately were not able to receive a finalized amendment in time for the hearing today. In concept, the amendment will keep the Loan Program active and instead

authorize MHT to make an expenditure to a “Qualifying Non-Profit” as defined in the bill to more quickly facilitate preservation dollars getting out the door more efficiently.

Once again I respectfully request a favorable report of Senate Bill 425 as amended to ensure that this underutilized program can reach its full potential. As soon as we receive the agreed upon amendment language from all stakeholders we will submit it to the Committee for consideration.

Sincerely,

A handwritten signature in black ink that reads "Sarah Elfresth". The signature is written in a cursive, flowing style.

Sarah Elfresth

SB425 MD Historic Trust_Letter of Information_MNCP

Uploaded by: Jordan BaucumColbert

Position: INFO



LETTER OF INFORMATION

Bill: SB425 - Maryland Historic Trust – Historic Preservation Partnership Program and Fund – Established

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

Date: February 15, 2023

Re: Letter of Information

Dear Chairman Guy Guzzone and Vice Chairman Rosapepe,

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 Budget and Taxation 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 (C)(2)(I-II), 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.

test.pdf

Uploaded by: Mary Lazun

Position: INFO

Test