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U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Office of Environment and Energy

Historic Preservation in Housing and Community Development

Linking Historic Preservation to Community Development Block Grant Objectives

A Guide for Local Government
Officials and Program Managers

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DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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Linking Historic Preservation to Community Development Block Grant Objectives

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Officials and Program Managers

**LINKING HISTORIC PRESERVATION
TO COMMUNITY DEVELOPMENT
BLOCK GRANT OBJECTIVES**

Eligible activities under the CDBG program and how historic preservation can be coordinated with community revitalization, economic development and energy conservation

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LINKING HISTORIC PRESERVATION TO COMMUNITY DEVELOPMENT BLOCK GRANT OBJECTIVES

Introduction

This Guide illustrates the various methods by which historic preservation can be linked to other eligible activity under the Community Development Block Grant (CDBG) Program. The publication focuses on the broad range of historic preservation activity that may be assisted under the CDBG program, not only to save historic structures but to use them in promoting economic development, neighborhood revitalization and the conservation of energy resources as well.

The Community Development Block Grant (CDBG) Program authorized by Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301) provides significant resources and maximum discretion to local officials for shaping local programs to meet important objectives in community development. Historic preservation is one of the national objectives that can be an important local objective as well. It is a specific "eligible activity" under HUD program regulations 24 CFR Part 570. Projects designed for the preservation of specific properties may be undertaken.

However, community officials who wish to make the most of their CDBG grants will find a number of ways by which historic preservation can be linked to their other community development and revitalization objectives. By prudent planning, a community which develops historic plans may selectively implement them through other CDBG activities designed for other objectives. Individual, specifically designed, historic preservation projects may be undertaken, but ample opportunities are open for a more comprehensive approach.

Hopefully, this guide will prove useful in planning CDBG projects - whether the community wishes to undertake historic preservation projects as a special type program or wishes to include preservation strategies in its other priority CDBG projects.

Part I

ELIGIBLE ACTIVITIES IN GENERAL

Generally, historic preservation activity will concentrate on rehabilitation, preservation and selective restoration of public or privately owned properties. However, preservation activities may be coordinated with new construction as well as with economic development, energy conservation and other objectives in a community's CDBG program.

Requirements

Assisted preservation activities, like all CDBG activity, must meet the primary objective of Title I: "the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and moderate-income" (Section 101(c)).

In addition, all activities in a community's CDBG program must either:

- give maximum feasible priority to activities which will principally benefit low-and moderate-income persons (at least in proportion to their share of the population in the area which will be served by the particular activity), or
- aid in the prevention or elimination of slums and blight.
- CDBG funds also may be used for activities which the grantee certifies are designed to meet other community needs which have a particular urgency (provided other resources are not available for this purpose and the buildings involved are not to be used for the general conduct of government). Such needs may arise because existing conditions pose a serious and immediate threat to community health or welfare. (See Section 104(b)(3), Title I.)

Meeting National Objectives

All CDBG assisted historic preservation activities must meet one of these national objectives and there are a number of ways to do so. For example, the preservation of a commercial structure by a small community may result in the creation of jobs at least 51 percent of which are for low and moderate income persons, or the preservation of structures by an entitlement community may provide services to residents of a defined area

with at least 51 percent low and moderate income persons. Another way to meet the national objectives is to select preservation activities within designated slum or blighted areas which qualify for assistance. Historic preservation may also be conducted outside a slum or blighted area as part of activities designed to eliminate specific conditions of blight or physical decay on a spot basis. In such cases where residential rehabilitation is for other than low and moderate income households, the eligible activity is limited to the correction of specific conditions detrimental to public health and safety. The standards for meeting the national objectives are set forth in detail at 24 CFR 570.208.

For the CDBG Entitlement Programs, at least 70 percent of CDBG funds and any Section 108 loan funds must be used to benefit low-and moderate-income persons for a period of 1, 2, or 3 years as specified by the grantee.

Small communities that receive CDBG funding through a State-administered program are advised that, in addition to legal eligibility, their proposed activities may have to meet priorities established for the State's program.

Historic Properties, Definition

For Title I purposes, properties that qualify as historic properties are landmarks, districts, sites, buildings, structures or objectives which:

- o are listed in or eligible for listing in the National Register of Historic Places, or
- o are certified as historic properties by the Secretary of the Interior for purposes of the Economic Recovery Tax Act or related Federal tax laws, or
- o are listed in a State or local inventory of historic places, or
- o are designated by State law or local ordinances as a State or local landmark or historic district.

Information for Local Program Staff

Local officials who wish to examine the potential for historic preservation activities in their community may wish to review the details of Part II here or refer that listing to their planning and CDBG program staff.

LEADERSHIP FOR HISTORIC PRESERVATION - A SELF ANALYSIS FOR LOCAL EXECUTIVES

Is my community an important part of America? Is its history a real part of American history?

How many CDBG projects have we undertaken in the past 5 years?

Did they include economic development? Neighborhood improvement? Rehabilitation of residential buildings? Commercial buildings?

How many of our projects included historic preservation? Reuse of older structures?

How many projects could have involved historic preservation? But didn't?

Does my community contain historic property?

Those generally recognized and commended?

Others not recognized, possibly in danger of neglect and decay?

Have we recognized as historic the resources and properties that represent the contributions of minority and ethnic groups to our community?

Does my community contain neighborhoods or buildings in danger of deterioration?

School buildings, commercial or industrial buildings that are vacant or abandoned? Do we think of these as historic? Whose reuse could help turn things around?

Have I encouraged a concerted effort to rehabilitate these properties and convert them to a new economic use?

Does the community have a handle on the extent to which private properties have been declared historic?

Could the community link and encourage private efforts to our goals for community improvement and economic development?

Would additional rehab in concentrated areas promote more economic development? More jobs? Improved tax base? Enhance community pride?

Do I regard Historic Preservation as a nuisance? Not relevant to my community? A potential basis for community revitalization?

Is preservation an object of our planning? If not, why not? Do we have a historic commission? If not, is one feasible? Should we be surveying our community to identify historic properties and the potential for making good use of them?

Do I or my staff have a good awareness of all the eligible activities under the CDBG program? And how we may link preservation to our other program goals and objectives?

Part II

SPECIFIC ELIGIBLE CDBG ACTIVITIES WHICH MAY SUPPORT HISTORIC PRESERVATION

Outlined below are eligible CDBG activities to which historic preservation may be linked, or which may be used in support of preservation objectives, provided they meet all applicable program requirements. Heading numbers refer to the CDBG regulations, 24 CFR Part 570 (September 6, 1988).

Planning (570.205)

The process of community planning affords a splendid opportunity to formulate community goals and objectives and to include strategies for preservation with plans designed to meet other purposes. Planning activities are presumed to meet the national objectives (page 1). Other CDBG assisted historic preservation activities must meet one of the objectives. This applies to both hard costs such as acquisition, rehabilitation or preservation for example, and also to soft costs, other than planning, such as the engineering and design costs related to specific activity, and preservation counseling, advisory services and inspections. Eligible activities include the preparation of general development plans and plans for particular functions, purposes or areas. Eligible activities include:

General Plans, including:

- o Comprehensive plans, and community development plans including preservation elements;
- o Functional plans for various purposes, including housing, land use, economic development, open space, and energy conservation, including historic preservation elements;
- o Data collection, studies, analysis and the preparation of plans and implementing measures including budgets, codes and ordinances;
- o Archeological surveys of CDBG project areas, including a reconnaissance survey of a project site containing valuable resources, or an intensive survey for fuller examination of significant sites;
- o Activities to enhance the community's capacity for setting goals and objectives to meet needs, including environmental and preservation concerns;
- o Reasonable costs of general environmental studies and historic preservation studies and resource surveys, including:
 - environmental review and compliance with Section 106 of the National Historic Preservation Act, where required by 24 CFR Part 58;

Historic Preservation Plans, including:

- o Preparation of a historic preservation plan for the community, including plans for preserving historic downtown areas or neighborhoods or for appropriate reuse of their historic structures;
- o Delineating historic districts, including reuse plans and the preparation of ordinances and codes to assure preservation of the districts; and
- o Strategies and action programs to implement plans to protect and enhance the cultural environment.

These activities may include measured drawings, photographs and other documentation of significant architectural and historic data and of any building modifications or project mitigation. These may be prepared as part of a preservation program or in compliance with environmental review requirements.

Historic Preservation (570.202(d))

Historic preservation, including the rehabilitation, preservation or restoration of historic property. (This is the basic authorization for preservation but does not limit the scope of other activities which may include or support preservation.)

Economic Development Activities (570.203)

Economic development increasingly is a major objective in CDBG programs. In this context, communities may perceive effective ways to tie in preservation objectives with economic development and attain the advantages of rehabilitating older structures. Such approaches also provide job opportunities in rehabilitation and preservation phases of work and secure the long term benefits of reused buildings in areas of revitalization and new endeavor. Eligible activities include:

- o Acquisition, construction, reconstruction or installation of commercial or industrial buildings, structures, and other real property, equipment and improvements, including railroad spurs or similar improvements having historic values; and
- o Assistance to private-for-profit-businesses, including financial and technical assistance and involving historic properties that are necessary or appropriate.

Administrative Costs (570.206)

- o Costs of conducting preliminary surveys and analysis of market needs (subject to HUD's program limitations on such costs); and

- o Costs of site and utility plans, narrative descriptions of proposed development or rehabilitation, preliminary cost estimates, urban design documentation, and "sketch drawings", including preservation objectives and making proposals compatible with historic settings.

Engineering and Design Costs (570.201 - 570.204).

- o Feasibility studies to assess the condition of structures, including historic structures, and the economic feasibility of:
 - corrective techniques to overcome incompatible alterations or deterioration which detract from the historic character of structures;
 - adapting historic buildings to appropriate reuse;
- o Designing improvements to the facade of structures, including historic buildings and including schematic drawings;
- o Design costs for integrating historic facades into new structures and land uses, with the advice of the State Historic Preservation Officer or local historic commission or advisory body;
- o Designing the removal of architectural barriers in structures which limit access for elderly or handicapped persons; and
- o Other engineering and design needed to preserve historic properties.

Note: Such engineering and design activities and costs are regarded as project costs, not as general planning or administrative costs.

Consultant Services (570.200(d)).

- o Obtaining professional assistance for program planning, and preparing community development objectives, including historic preservation, and securing other general professional guidance for devising programs and methods or schedules for implementing them, including preservation elements.

Acquisition (570.201)

- o Acquisition of properties, including historic properties, in whole or in part by a public agency or private not-for-profit entity;

- o Acquisition by purchase, lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, facade easements and other interests);
- o Acquisition of buildings and improvements and their relocation to other sites; e.g., for preservation or reuse, as an alternative to demolition.

Clearance Activities (570.201(d)).

- o Moving a historic structure from a project site or other site to a location appropriate for its preservation; and
- o Clearing incompatible structures from a historic site to highlight historic values or to provide for compatible new development.

Site Preparation (570.201)

- o Construction, reconstruction or installation of public improvements, utilities, or facilities (other than buildings) related to the redevelopment or reuse of real property that is acquired or rehabilitated pursuant to 570.701;
- o Making improvements necessary to restore a property's architectural or historic character.

Property Rehabilitation (570.202)

Rehabilitation constitutes a major area of opportunity for including historic preservation in programs designed to revitalize neighborhood and commercial areas and for encouraging private sector involvement in community development and property rehabilitation activities. Eligible activities include:

- o The rehabilitation of:
 - eligible privately owned residential buildings and improvements limited to facade and code requirements.
 - public housing and other publicly owned residential buildings and improvements; and
 - publicly owned nonresidential buildings and improvements otherwise eligible for assistance.
- o Activities to secure the retention and reuse of historic structures, such as renovation of closed school buildings for conversion to housing or reuse facility, or to serve another public purpose;

- o Energy system improvements or retrofitting, e.g., to enhance the use and preservation of historic structures; and
- o Obtaining or conducting rehabilitation advisory services, such as rehabilitation counseling, energy auditing, preparation of work specifications, inspections, and other advisory services to owners, tenants, contractors and other entities participating or seeking to participate in authorized rehabilitation activities.

Property Disposition (570.201(b)).

- o Sale, lease, donation, or otherwise, of any real property acquired with CDBG funds, including arrangements and restrictions to preserve historic properties or to provide for appropriate reuse of historic property.

Code Enforcement (570.202(c)).

- o In deteriorating or deteriorated areas where such enforcement together with public improvements, rehabilitation and services to be provided, may be expected to arrest the decline of the area.

Public Facilities and Improvements (570.201(c))

- o Acquisition, construction, reconstruction, rehabilitation or installation of eligible public facilities and improvements, as in historic districts or neighborhoods;
 - including design features and improvements which promote energy efficiency; and
- o Execution of architectural design features to enhance or preserve the aesthetic quality of facilities and improvements receiving CDBG assistance; i.e., decorative pavements, railings, sculptures, pools of water and fountains, and other works of art (excluding furniture and furnishings within buildings).

Removal of Architectural Barriers (570.201(k))

Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly or handicapped persons to publicly owned or privately owned buildings, facilities, and improvements, including those which are historic.

Utilities (570.201(l))

- o Use of CDBG funds to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new and existing distribution facilities and lines, as in a historic district.

Activities by Subrecipients (570.204(c))

- o Recipient may grant or loan CDBG funds to subrecipients for the conduct of eligible activities, including all historic preservation activities identified in this publication. For example: to neighborhood-based nonprofit organizations, Section 301(d) small business investment companies or local development corporations to carry out neighborhood revitalization, community economic development or energy conservation projects. Such activities may include preservation activity or support preservation objectives.

Technical Assistance (570.201 - 206 - (an allowable administrative cost))

- o Obtaining or providing assistance for planning, developing and administering historic preservation activities;
- o Conducting local education and information programs concerning historic preservation, including encouragement of private initiatives through private investment and the use of available tax incentives and other resources;
- o The conduct of workshops on preservation, e.g., facade treatment of historic storefronts or seminars on historic district design for local merchants, architects, planners and community organizations; and
- o Training conferences for municipal and community leaders for encouraging preservation strategies and techniques for implementing them.

Payment of the non-Federal share required in connection with a Federal grant-in-aid program (570.201(g))

- o CDBG funds may be used for the payment of the non-Federal share required under Federal grant-in-aid programs, provided:
 - o the activities are part of CDBG activities, and
 - o they are activities otherwise eligible for CDBG assistance.

- o Grant-in-aid programs include the Department of the Interior's historic preservation grant program; CDBG funds may be used to make up the local matching requirement of the DOI program.

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