

Worksession

**MEMORANDUM**

April 27, 2010

TO: Planning, Housing, and Economic Development Committee  
FROM: Jeff Zyontz,  Legislative Attorney  
SUBJECT: FY11 Operating Budget: NDA – Historic Preservation Commission

Scott Whipple, Historic Preservation Supervisor, is expected to attend this worksession.

This packet contains:

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**Overview**

Until April 22, 2010 the Executive recommended a grant of \$315,840 to the Historic Preservation Commission (HPC). The budget recommended by the Executive and requested by M-NCPPC was the same as it has been for the last 2 fiscal years. On April 22, in light of reduced income tax projections, the Executive recommend cutting the commitment to historic activities by half.<sup>1</sup>

	<b>FY08 Actual</b>	<b>FY09 Actual</b>	<b>FY10 Approved</b>	<b>FY11 Exec.</b>	<b>FY11 HPC</b>
Support for the Historic Preservation Commission	\$245,780	\$254,840	\$254,840	\$170,420	\$254,840
Historic Preservation Grant Fund	\$30,000	\$30,000	\$30,000	\$0	\$0
Maryland Historic Grant (State funds for Certified Local Governments)	\$24,000	\$21,280	\$25,000 (\$23,000 received)	\$0	\$0
County Matching Funds for State Grant (CLG)	\$6,000	\$6,000	\$6,000	\$0	\$0
<b>Total</b>	<b>\$305,780</b>	<b>\$312,120</b>	<b>\$315,840</b>	<b>\$170,420</b>	<b>\$254,840</b>

<sup>1</sup> There is a single NDA in the Executive's budget for historic activities. It includes these funds, plus money for the Historic Society. The Historic Society received \$64,500 in FY10 as a grant and for archiving services. The allocation below assumes that the Historic Society gets \$32,250 from the NDA.

### ***Support for the Historic Preservation Commission***

The HPC is an independent agency staffed by Maryland-National Park and Planning Commission employees. This funding is to operate the program, including administering Historic Area Work Permit (HAWP) applications, processing tax credit applications, and advising owners of historic properties. A building permit application on any historic property triggers the requirement for a HAWP. An application fee is not charged for a HAWP beyond the regular building permit fee. Typically, some 150 HAWPs are processed in a year. In addition, staff reviews and processes some 100 Historic Preservation tax credit applications.

The M-NCPPC request for support for the HPC was for \$254,840, the same amount that was approved in FY09 and in FY10. A 50 percent reduction may mean a reduction in force (RIF) of 1 or 2 positions<sup>2</sup>, the elimination of the historic grant program (\$30,000), and the elimination of the state CLG grant. HPC recommended retaining all professional staff but cutting the grant program, the CLG grant from the state, and the County's match to the state grant.<sup>3</sup> HPC's recommendation would be \$84,420 over the Executive's April 22 recommendation.

Under Chapter 24A, the HPC has 45 days to review a historic area work permit. If the Commission fails to act within the 45 day period, the Permitting Services director is required to approve the pending building permit. Less staff may result in pressure for staff to recommend denial to HPC rather than taking time to work out a solution acceptable to both the applicant and HPC staff. HPC also processes state tax credit applications. These applications would not be processed as expeditiously with fewer staff.

### ***Historic Preservation Grant Fund***

The Historic Preservation Grant Fund is administered through the HPC for awards to County groups for historical projects. It provides matching grants to small, non-profit community groups around the County to do educational and interpretive programs. The fund is one of the few ways the HPC can generate outreach opportunities and educational projects that makes preservation real to the public at large. This appropriation has remained at \$30,000 for several years.

Cutting the Historic Preservation Grant Fund would have the least impact on HPC's program. In any event, the employees assigned to this activity are subject to the reduction in force required in the Executive's revised recommendation.

### ***Maryland Historic Grant***

This is a matching grant from the State that is passed through the County to M-NCPPC for historic projects. The County is required to match the funds contributed by the State. A minimum of \$6,000 of the County's match must be in cash. HPC will not apply for the grant if matching funds are not available.

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<sup>2</sup> This assumes the RIF can occur on July 1; however, MNCPPC has informed the Council that the soonest their RIFs can be accomplished is September.

<sup>3</sup> Letter from Thomas Jester, HPC Chair, April 26, 2010.

**Staff Recommendation**

The Executive's recommended cut is disproportionate to cuts in other programs. Staff recommends approval of this budget as recommended by HPC. This would require \$84,420 on the reconciliation list or reducing the Planning Department's budget elsewhere.

If the Council agrees with the Executive, Chapter 24A should be amended to allow more time for HAWP approvals.

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>26,039,330</b>	<b>0.0</b>
Increase Cost: Premium contributions to cover increased claims costs	5,057,400	0.0
<b>FY11 CE Recommended</b>	<b>31,096,730</b>	<b>0.0</b>

### Historical Activities

This NDA contains a General Fund (\$355,340) and a State (\$25,000) appropriation and provides funding for the following agencies and programs:

- **Historic Preservation Commission:** The Historic Preservation Commission's main responsibility is to administer the historic preservation ordinance including recommending Montgomery County sites of potential historical significance. These efforts are administered by the Maryland-National Capital Park and Planning Commission (M-NCPPC).
- **Historic Preservation Grant Fund:** The Historic Preservation Grant Fund is administered through the Historic Preservation Commission. The Historic Preservation Commission accepts proposals from County historical groups which compete for grant funding for historically significant or educational projects. Currently, historic preservation grant awards are recommended by the Historic Preservation Commission and executed by M-NCPPC.
- **Historical Society:** Funding for the Montgomery County Historical Society provides support for the Society's Education Program staff, educational and outreach programs for County residents, and to maintain the Historical Society's research library and museums.
- **Maryland Historic Grant:** The Maryland Historic Grant is a matching grant whereby the State of Maryland provides funds for historic preservation, and Montgomery County contributes matching funds totaling 25 percent of the State grant. These grant funds are passed through the County to M-NCPPC, which uses the dollars in its historic activity endeavors.

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>380,340</b>	<b>0.0</b>
<b>FY11 CE Recommended</b>	<b>380,340</b>	<b>0.0</b>

### Homeowners' Association Road Maintenance Reimburse.

This NDA provides a partial reimbursement to homeowners' associations (HOAs) for their maintenance of certain privately-owned roadways. The payment is currently restricted to through roadways, accessible to the public, which are one-quarter mile or longer and which provide vehicular access to more than four dwelling units. In FY97, an Executive Regulation was enacted allowing homeowners' associations to request that their roadways be deemed "private maintenance roads." This designation qualifies the HOA for State reimbursement of their roadway maintenance costs. The County annually submits to the State its estimate of reimbursable miles, including those accepted as private maintenance roads. The State then reimburses the County and, subsequently, the County forwards the funds to HOAs.

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>87,130</b>	<b>0.0</b>
<b>FY11 CE Recommended</b>	<b>87,130</b>	<b>0.0</b>

### Housing Opportunities Commission

The Housing Opportunities Commission (HOC) is a public corporation established by Maryland law to act as a builder, developer, financier, owner, and manager of housing for people of low- and moderate- (eligible) income. The Commission also provides eligible families and individuals with affordable housing and supportive services.

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>6,136,340</b>	<b>0.0</b>
Increase Cost: Annualization of FY10 Personnel Costs	81,110	0.0
Reduce: School Supply Drive	-1,100	0.0
Reduce: National Night Out	-1,200	0.0
Eliminate: Saturday Karate Program	-9,360	0.0
Reduce: Supportive Housing Program Administrative Aide position to 30 hours per week	-11,000	0.0
Decrease Cost: Reduce Management Fee to HOC	-15,410	0.0
Reduce: .5 work years for Emergency Service Worker	-26,500	0.0

## Historic Area Work Permits

### Description

Staff support the Montgomery County Historic Preservation Commission (HPC) by reviewing and processing Historic Area Work Permit (HAWP) applications. HAWPs are required for any exterior alteration, demolition, or new construction within a designated historic district or involving an individually designated historic site. Staff receive completed HAWP applications from the Department of Permitting Services (DPS), review the applications using Historic Preservation Ordinance criteria and district-specific guidelines, provide a written staff recommendation on each case to the HPC, presents the cases at the HPC's public meetings, process the applications after they have been acted on by the HPC, and assist in enforcing approved HAWPs as needed. Staff also process applications for Montgomery County Historic Preservation Tax Credits, administer the historic preservation grant program, and implement public outreach and education on historic preservation process and benefits.

*Lead Division: Urban Design*

### Goals

- Ensure the preservation and protection of the County's significant historic districts and sites, while allowing for compatible changes that make these resources usable and available.

### Performance Measures

Objective	Measure
Provide staff support to the HPC and assist the public by reviewing and processing HAWP applications.	Number of Historic Area Work Permits (HAWP) reviewed and processed
Provide staff support to the Montgomery County Historic Preservation Commission and assist the public by reviewing and processing Montgomery County Historic Preservation Tax Credit applications and Historic Preservation Grant applications.	Historic Preservation Tax Credit applications, and grant applications reviewed and processed

### Specific Tasks/Products for FY11

- Review and process all HAWP applications in a timely way, meeting the 45-day review time limit called for in the Historic Preservation Ordinance.
- Review and process Historic Preservation tax credit applications for eligibility prior to submission to Montgomery County.
- Review and evaluate applications for Historic Preservation Grants.

Program Indicators	FY09 Actual	FY10 Target	FY10 Estimated	FY11 Target	Comments/Issues
% of HAWPs reviewed and processed within the 45-day statutory review period	100%	100%	100%	100%	
Number of HAWPs reviewed and processed	138	138	150	160	
Number of Tax Credits/ grants processed	41/16	90/16	90/16	100/16	

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Budgeted Resources	FY10		FY11	
	WY	\$	WY	\$
Personnel	4.85	\$498,400	4.85	\$524,300
Professional Services		\$9,000		\$9,000
Publications		\$6,000		\$6,000
Other Operating Expenses		\$66,600		\$73,000
Chargebacks*		(\$315,800)		(\$285,800)
<b>Total</b>		<b>\$264,200</b>		<b>\$326,500</b>

\*Chargeback to Historic Preservation Special Revenue Fund

**Major Changes**

- None

**Professional Services**

- Transcription services for public testimony are required for hearings on Historic Area Work Permits and Amendments to the Master Plan for Historic Preservation.

**DOT-Transit Services**

<b>REDUCE: RIDE ON SERVICE</b>	<b>-756,000</b>
The additional \$671,000 in Ride On service reductions is comprised primarily of reductions to service frequency: 16 weekday routes and 3 Saturday routes. In addition, on the route 30 (Medical Center to Bethesda via Pooks Hill) midday service would be eliminated, leaving only peak period service. On the route 33 (Glenmont to Bethesda), the southern portion of the route (Medical Center to Bethesda) would be eliminated.	
<b>INCREASE COST: ENERGY TAX INCREASE</b>	<b>6,980</b>
<b>DECREASE COST: ABOLISH TRANSIT SUPERVISOR</b>	<b>-100,040</b>
Abolish vacant supervisor in Silver Spring.	
<b>DECREASE COST: STAFF FRIENDSHIP HEIGHTS FARE MEDIA STORE WITH TRANSIT AIDES</b>	<b>-50,000</b>
The two Public Administration Aides Transit has for media sales, complaint management and walk ups will move to the Friendship Heights store and respond from there and replace the temporary staff (\$50K).	
<b>DECREASE COST: INCREASE LAPSE</b>	<b>-190,190</b>
Hold position vacancies open for a longer period of time	
<b>ELIMINATE: SILVER SPRING SUPER FARE SHARE</b>	<b>-155,000</b>
Eliminate employer based fare subsidy program in Silver Spring	

**Fire and Rescue Service**

<b>DECREASE COST: DELAY MASTER LEASE PAYMENTS FOR AMBULANCES AND A TANKER</b>	<b>-371,530</b>
Master lease payments for the tanker will not be needed until FY12 (savings of \$121,530) and only one payment will be needed for 14 replacement ambulances in FY11(savings of \$588,103).	
<b>DECREASE COST: MONTGOMERY COUNTY VOLUNTEER FIRE AND RESCUE ASSOCIATION CONTRACT INCREASES</b>	<b>-389,910</b>
The Executive recommends deferring funding for increases in the contract with the MCVFRA including the following: \$40,000 for a new vehicle for Association business; \$233,350 for leather turn-out boots for active members on the IECS (874); \$39,330 for gear bags for active members on the IECS (874); and \$77,230 for an increase in the nominal fee.	
<b>ELIMINATE: ABOLISH THE COMMUNITY RISK REDUCTION SERVICES DIVISION CHIEF</b>	<b>-193,160</b>
MCFRS will now operate with four divisions and the sections under Community Risk Reduction Services will be moved to other divisions within the department.	
<b>DECREASE COST: LAPSE THE APPARATUS MANAGER POSITION AND A LIEUTENANT POSITION</b>	<b>-237,370</b>
<b>DECREASE COST: FURLOUGH PUBLIC SAFETY MANAGERS</b>	<b>-98,840</b>
The Executive recommends expanding the 80 hour furlough to public safety managers including the Fire Chief, Division Chiefs, and Assistant Chiefs.	
<b>DECREASE COST: DELAY MAY 2011 RECRUIT CLASS UNTIL FY12</b>	<b>-671,150</b>
The Executive recommends delaying the May 2011 recruit class until July 2011.	

**Health and Human Services**

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## HISTORIC PRESERVATION COMMISSION

Isiah Leggett  
County Executive

Tom Jester  
Chairperson

April 26, 2010

The Honorable Nancy Floreen, Council President  
Montgomery County Council  
100 Maryland Avenue  
Rockville, MD 20850

Dear President Floreen, Chairman Knapp, and Councilmembers:

I am writing on behalf of the Montgomery County Historic Preservation Commission to express our concerns about the County Executive's proposed reduction to the Historical Activities Non-Departmental Account (NDA). The Commission recommends that the Council restore funding to this NDA in order to maintain the resources necessary for the Historic Preservation Commission to uphold its responsibilities mandated under Article 24A of the County Code.

The proposed fifty percent reduction for historical activities is a disproportionate cut that would cause a significant and devastating diminution in service that would hinder the Commission's ability to operate. This, in turn, will adversely affect county residents. The Commission believes that funding to support essential historic preservation services must be retained and should be the last thing that is cut as part of any reduction to the Historical Activities NDA. Although the Commission recognizes that other worthwhile programs are supported through the Historical Activities NDA, the Commission feels strongly that the County's limited funds for historic preservation should be allocated first to support those functions of government required by County law.

To this end, the Commission believes it is critical to retain its professional staff. The Commission's professional staff is essential for the processing of Historic Area Work Permits and for the fulfillment of the Commission's broader regulatory responsibilities, as well as its active participation in the development review process. Maintenance of current staffing levels is also essential for the implementation of a staff-level approval process designed to simplify and speed the application process for residents, which the Commission hopes to implement through changes to regulations in the coming fiscal year. A reduction to staff levels would jeopardize the viability of this worthwhile initiative. Further, maintenance of the current staffing levels is important to continue with the Commission's efforts to improve public outreach and understanding of historic preservation within our community, a function the Council has encouraged preservation staff to enhance.

The Commission fully recognizes that government spending must be reduced. In considering the \$315,840 grant in support of the Historic Preservation Commission's activities originally proposed in the County Executive's budget recommendation, the Commission believes \$61,000 in reductions (slightly more than nineteen percent) could be achieved by eliminating the Historic Preservation Commission grant program (\$30,000) and Certified Local Government grant (\$25,000 grant authorized, with \$6,000 in match). Although the Commission would prefer not to see these reductions implemented, we understand that during these difficult times the county may not be in a position to provide direct financial assistance to support not-for-profit and community organizations' preservation projects or pursue outside funding opportunities. The Commission respectfully requests that these reductions be considered in lieu of cutting professional planning staff.



The Honorable Nancy Floreen  
April 26, 2010  
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Historic preservation is an integral part of creating and maintaining livable and sustainable communities in the county. Historic preservation is also part of our economy, and it is worth noting that the number of Historic Area Work Permit applications has increased in recent months. This increased activity highlights the importance of the current staff as the economic recovery continues and confirms that this is not the time to undermine the county's historic preservation program by reducing professional staff.

On behalf of the members of the Historic Preservation Commission, thank you for considering these recommendations.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas C. Jester". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Thomas C. Jester, AIA, LEED AP  
Chairman

cc: Isiah Leggett, County Executive  
Mike Knapp, PHED Committee Chairman  
Jeffrey Zyontz, Legislative Attorney

April 27, 2010

TO: Planning, Housing and Economic Development Committee  
Jeff Zyontz

VIA: Rollin Stanley, Planning Director *RS*

CC: Tom Jester, Chairman, Historic Preservation Commission

FROM: Scott Whipple *SN*, Historic Preservation Supervisor

SUBJECT: Budget Worksession

The following is in response to Committee staff questions regarding the impact of the County Executive's budget adjustment to the Historical Activities Non-Departmental Account.

A reduction of 50%, or \$145,420, from the \$290,840 originally proposed to support the Historic Preservation Commission, Historic Preservation Grant Fund, and Maryland Historic Grant would necessitate the following cuts in priority order. The potential cuts are ranked from those that would be least damaging to the mission and mandate of the Historic Preservation Commission to those that would have the greatest impact on the Historic Preservation Commission's work program and its responsibilities mandated by the Historic Preservation Ordinance, Chapter 24A of the County Code.

Reduction Item	Savings	Impact
Historic Preservation Grant Fund	\$30,000	The Historic Preservation Grant Fund, administered by the Historic Preservation Commission with MNCPPC/Historic Preservation staff support, provides small grants to nonprofit and local organizations to support a variety of historic preservation projects.
Maryland Historic Grant	\$6000	The county's \$6000 investment is used to leverage up to a \$25,000 grant from the Maryland Historical Trust to support historic preservation activities. In FY 09 and 10, this grant was used to support the evaluation of Locational Atlas resources. A grant application is currently under consideration to continue Locational Atlas evaluation in FY 11. This funding has expedited the evaluation of Locational Atlas resources and leveraged MNCPPC/Historic Preservation staff capacity.
Historic Preservation Commission	\$109,420	Reducing this line item from \$254,840 to \$145,420 necessitates reducing specific operating costs earmarked for the HPC and staffing reductions that would adversely affect the level of service the HPC provides to the public, and would stress the HPC's ability to meet certain legal requirements. The HPC is required to act on Historic Area Work Permits within 45 days. Without adequate staff, the HPC may not be able to meet this requirement. The HPC is preparing proposed regulatory changes to implement staff-level approval of minor changes, as allowed in Chapter 24A-7, to expedite review and shorten applicants' approval time. Staff reductions would limit the capacity to implement this administrative approval process. A reduction in staff levels would also reverse recent gains made in the ability of the Commission to provide outreach and educational materials to the public.