

**Worksession**

**MEMORANDUM**

May 6, 2009

TO: County Council

FROM: Jeffrey L. Zyontz,  Legislative Attorney

SUBJECT: FY11 Operating Budget: NDA – Historic Activities

**PHED Recommendation** – On April 29, 2010 the Committee recommended (3-0) approval of the Historic Preservation Commission budget item as recommended by the Executive on April 22, 2010.

This packet contains:

HPC's revised request April 26 (Thomas Jester)  
Planning Staff response to the April 22 reduction

© number

1-2  
3

**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 recommended cutting the commitment to historic activities by half.<sup>1</sup> Due to the magnitude of the reduction and the reduced staff, HPC recommended eliminating historic preservation grants, the State Grant, and County matching funds for the State grant. The Committee and Executive's recommendation also requires reducing funds for HPC's operation by \$109,420.

---

<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 in the chart assumes that the Council approves \$32,250 from the NDA for the Historic Society.

|  | <b>FY08<br/>Actual</b> | <b>FY09<br/>Actual</b> | <b>FY10 Approved</b>            | <b>FY11 Exec.<br/>and PHED</b> |
|--|------------------------|------------------------|---------------------------------|--------------------------------|
| Support for the Historic Preservation Commission | \$245,780              | \$254,840              | \$254,840                       | \$145,420                      |
| Historic Preservation Grant Fund                 | \$30,000               | \$30,000               | \$30,000                        | \$0                            |
| Maryland Historic Grant (State Funds)            | \$24,000               | \$21,280               | \$25,000<br>(\$23,000 received) | \$0                            |
| County Matching Funds for State Grant            | \$6,000                | \$6,000                | \$6,000                         | \$0                            |
| Total  | \$305,780              | \$312,120              | \$315,840                       | \$145,420                      |

### ***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.<sup>2</sup> 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>3</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>4</sup> HPC's recommendation would be \$109,420 over the Executive's April 22 recommendation. With a diminished staff complement, public outreach programs would be eliminated. The authority for more staff approvals may speed the HAWP process.

### ***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 make preservation real to the public at large. This appropriation remained at \$30,000 for several years. As recommended by the Committee, there would not be any funds for this purpose.

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 Committee's recommendation.

<sup>2</sup> 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.

<sup>3</sup> This assumes the RIF can occur on July 1; however, MNCPPC has informed the Council that the soonest they can implement a RIF is September.

<sup>4</sup> Letter from Thomas Jester, HPC Chair, April 26, 2010.

### ***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 and staffing funds are reduced as recommended by the Committee. Staff resources would be used to process HAWP and tax credit applications. The State grant does not cover those work program items. Reserving \$6,000 in anticipation of a grant would shift staff from regulatory functions and was not recommended.

### **Staff Observation and Recommendation**

HPC is affected by the NDA reduction and the reduction in the Planning Department's budget. The combination will significantly reduce the activities devoted to new historic designations, public outreach, and regulatory matters. The Chair of the Historic Preservation Commission described the situation as a disproportionate impact when compared to other programs. Staff recommends retaining the funding for HPC staff. This recommendation would add \$109,420 to the operating budget.

PH 4/5/10  
OP BUD

JZ  
CC  
SBF  
L  
VY



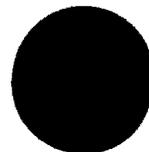
### HISTORIC PRESERVATION COMMISSION

Isiah Leggett  
*County Executive*

Tom Jester  
*Chairperson*

April 26, 2010

056303



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.



RECEIVED  
MONTGOMERY COUNTY  
COUNCIL

2010 APR 27 AM 8:43

1

The Honorable Nancy Floreen  
April 26, 2010  
Page Two

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 line 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. |