

**Worksession**

**MEMORANDUM**

March 31, 2009

TO: Planning, Housing, and Economic Development Committee  
FROM: Jeff Zyontz,  Legislative Attorney  
SUBJECT: FY10 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**

The Executive has recommended a grant of \$315,840 to the Historic Preservation Commission (HPC). The budget recommended by the Executive and requested by M-NCPPC is the same as last year's request.

	<b>FY07 Actual</b>	<b>FY08 Actual</b>	<b>FY09 Approved</b>	<b>FY10 Recommended</b>
Support for the Historic Preservation Commission	\$237,030	\$245,780	\$254,840	\$254,840
Historic Preservation Grant Fund	\$30,000	\$30,000	\$30,000	\$30,000
Maryland Historic Grant (Certified Local Governments)	\$25,000	\$24,000	\$25,000*	\$25,000**
County Matching Funds for State Grant (CLG)	\$6,000	\$6,000	\$6,000	\$6,000
<b>Total</b>	<b>\$298,030</b>	<b>\$305,780</b>	<b>\$315,840</b>	<b>\$315,840</b>

\* In FY09, \$25,000 was approved by the County Council for a State Grant. However, we actually received \$21,280 in FY09 through the Maryland Historical Trust Certified Local Government Grant Program.

\*\* In FY10, the intent is to apply for State Grants. Given the amount of the grants awarded over the previous several years, staff feels that it is realistic to estimate a State Grant of \$25,000.

### ***Support to 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 200 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 is for \$254,840, the same amount that was approved in FY09.

### ***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.

If the Council is inclined to decrease this budget grant, then cutting the Historic Preservation Grant Fund would have the least impact on HPC's program.

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

This grant is a matching grant from the State that is passed through the County to M-NCPPC for historic projects. The amount requested is an estimate. The HPC will not know the actual amount of the grant award until May or June. HPC expects to apply for grants totaling \$25,000 in FY09. The County is required to match the funds contributed by the State, and a minimum of \$6,000 of the County's match must be in cash.

### **Staff Recommendation**

Staff recommends approval of this budget as recommended by the County Executive.

## 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>FY10 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>380,340</b>	<b>0.0</b>
<b>FY10 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>FY10 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>337,700</b>	<b>0.0</b>
<b>FY10 CE Recommended</b>	<b>337,700</b>	<b>0.0</b>

## Housing Opportunities Commission

The Housing Opportunities Commission 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>FY10 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>6,140,640</b>	<b>0.0</b>
Increase Cost: Annualization of FY09 Personnel Costs, not including cost of living adjustment	169,300	0.0
Reduce: Temporary Staff Budget for Housing Resources	-9,100	0.0
Eliminate: Professional Services Budget for Legislative & Public Affairs	-12,500	0.0
Reduce: Parent Resource Center Budget	-25,000	0.0
Reduce: Tenant Services Contracts	-27,000	0.0
Reduce: Resident Counselor Services	-50,000	0.0
Reduce: Youth Services	-50,000	0.0
<b>FY10 CE Recommended</b>	<b>6,136,340</b>	<b>0.0</b>

## Inauguration & Transition

The Montgomery County Charter provides for the quadrennial election of a County Executive and County Council. This NDA provides for a ceremony and smooth transition of the County Executive and County Council every four years.

## Historic Area Work Permits

**description**

Provide staff support to 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 receives completed HAWP applications from DPS, reviews the applications using Historic Preservation Ordinance criteria and district-specific guidelines, provides a written staff recommendation on each case to the HPC, presents the cases at the HPC's public meetings, processes the applications after they have been acted on by the HPC, and assists in enforcing approved HAWPs as needed. Staff also processes applications for Montgomery County Historic Preservation Tax Credits and implements public outreach and education on historic preservation process and benefits via the website and newsletter. Finally, staff develops architectural feature-specific design guidelines for exterior alterations to historic resources.

*Lead Division: Design/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	In FY08, 178 Historic Area Work Permits (HAWP) were reviewed and processed. As of October 2008, 46 HAWPs were reviewed and processed. There are typically over 200 HAWP applications per year. For FY09, 184 HAWPs are anticipated
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	In FY08, 98 Montgomery County Historic Preservation Tax Credit applications were reviewed and processed.

**specific tasks/products for FY10**

- 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 approximately 100 Historic Preservation tax credit applications for eligibility prior to submission to Montgomery County.

Program Indicators	FY08 Actual (%)	FY09 Target	FY09 Estimated As of 6/09 %	FY10 Target	Comments/Issues
% of HAWPs reviewed and processed within the 45-day statutory review period	100%	100%		100%	

Budgeted Resources	FY09		FY10	
	WY	\$	WY	\$
Personnel	4.85	\$501,500	4.85	\$531,700
Professional Services		\$9,000		\$9,000
Publications		\$6,000		\$6,000
Other Operating Expenses		\$57,300		\$66,600
Chargebacks		(\$315,800)		(\$315,800)
Total		\$258,000		\$297,500
Chargeback to Historic Preservation Special Revenue Fund				

November 20, 2008

Frederick C. Wilcox  
Administrative Services Coordinator  
Department of Housing and Community Affairs  
100 Maryland Avenue, 4<sup>th</sup> Floor  
Rockville, Maryland 20850

Dear Mr. Wilcox:

This letter is in regard to M-NCPPC's proposal for FY10 County funding of historic preservation activities. A comparison of the approved FY09 historic preservation budget and M-NCPPC's proposed FY10 budget is as follows:

	<b>Approved FY09</b>	<b>Proposed FY10</b>
Support to HPC	\$ 254,840	\$254,840
State Grant	25,000 *	25,000 **
County Match	6,000	6,000
Historic Grant Fund	30,000	30,000
<b>TOTAL</b>	<b>\$ 315,840</b>	<b>\$315,840</b>

\* In FY09, \$25,000 was approved by the County Council for a State Grant. However, we actually received \$21,280 in FY09 through the Maryland Historical Trust Certified Local Government Grant Program.

\*\* In FY10, we intend to apply for State Grants. Given the amount of the grants awarded over the previous several years, we feel that it is realistic to estimate a State Grant of \$25,000.

The proposed FY10 budget figures are consistent with the MARC for our FY10 budget as described in your September 25, 2008 email. Note that they do not reflect any increase to "Support to HPC" that would be necessary to cover merit increases for the salaries of current staff assigned to the HPC, as required under M-NCPPC's Merit System Rules (an increase of 3.5% over last year's grant.)

In the Historic Preservation Grand Fund category, we are recommending \$30,000 – the same as last year. As always, the Historic Preservation Grant Fund provides matching grants to small, non-profit community groups around the County to do educational and interpretive programs. It is one of the few ways in which the Historic Preservation Commission can generate good outreach and education projects that make preservation real and understandable to the public at large.

Please let me know if you need additional information on this matter.

Sincerely,

John Carter, Chief  
Urban Design Division