

Committee on Resources

Full Committee

Witness Statement

REMARKS OF PATRICIA H.GAY, PRESERVATION RESOURCE CENTER OF NEW ORLEANS

On behalf of the Preservation Resource Center of New Orleans, founded in 1974, and at the request of Don Young, Chairman, Committee on Resources, U.S. House of Representatives, I am presenting testimony on the importance of including the Historic Preservation Fund at the level of \$150 million as a critical element in the Committee's resource protection initiatives currently under consideration. Both bills before you today involve well over \$2 billion annually in various categories for the important natural resources of our country, but only the "*Resources 2000*" bill includes the Historic Preservation Fund. I will speak about the extraordinary effectiveness of the national preservation program and how historic resources have been utilized to build a better future for all of our citizens. I hope to convince you that the national preservation program, which the Historic Preservation Fund makes possible, in addition to preserving historic resources actually also has an impact on the urgent sociological, economic and environmental needs that have plagued our country for several decades as a result of urban decline and suburban sprawl.

First, my organization wishes to express appreciation to Congressman Tauzin and others for their efforts to establish funding for the protection of our natural resources, especially for the coastal wetlands of Louisiana, and to urge committee support for this and all other aspects of resource protection being considered. There is ample testimony here today on this subject, and we agree on the need to address this problem with adequate funding. Among the many reasons for our concern is the loss of hurricane protection which diminishes in proportion to our diminishing wetlands. All of our communities in south Louisiana are threatened in several ways as we continue to lose our coastal wetlands.

In 1980 the Historic Preservation Fund was established at \$150 million annually from Outer Continental Shelf revenues. (Please note that this would be the equivalent of almost \$329 million today.) Since only about 25% of these revenues were ever appropriated in any year, the unappropriated balance in the fund is today over \$2.4 *billion*. Given the extraordinary effectiveness of preservation programs, and given the incredible problems that we have lived with for several decades now as a result of increasingly dysfunctional towns and cities, I have been astounded, year after year, that preservation programs are often overlooked, even when there was an intent for funding as far back as 1980. For example, the President's Council on Sustainable Development is sponsoring "National Town Meetings for a Sustainable America" which do not include the programs such as Main Street, the federal rehabilitation tax credit and others which have had so much success in reversing decline and creating sustainable communities.

The National Preservation Act of 1966 must be among the most successful pieces of federal legislation ever enacted, especially when evaluating accomplishment in terms of cost. The Act was precipitated by a logical motivation of the federal government to protect its historic resources for future generations; it was also precipitated by the widespread destruction of the historic built environment rampant since World War II, primarily through federal programs such as highway construction, urban renewal and public underwriting of suburban development that depleted urban populations. Preservationists everywhere rallied to the

opportunity the National Preservation Act provided, to organize public and private efforts and programs at local, state and federal levels to save what remained of the historic built environment of our country. Since 1966, with minimal funding, results have been remarkable.

Here are some facts that illustrate the success of the national preservation program, which involves public and private partnerships at local, state and federal levels:

Over \$19 billion of private dollars has been invested in deteriorated and predominantly abandoned historic properties and neighborhoods through the federal tax credit for historic rehabilitation:

Throughout the past four decades almost every town and city in the country has been losing population and experiencing economic decline. However, this alarming decline induced by public policy has been steadily and in many cases dramatically reversed over the years by this federal program which was initiated in 1976. Incomprehensibly proposed for elimination in "tax reform" efforts in 1985, salvaged by preservationists but indirectly greatly sabotaged by the 1986 tax law, tax credit usage proceeded to decline up to 75% - BUT 1998 reflects a rebound with 1036 projects approved for \$2.08 billion in revitalization projects in one year. Please note that these projects reverse decline and contribute to sustainable communities, as well as preserve historic resources. *Louisiana has always been near the top in utilizing the federal rehabilitation tax credit, with a cumulative total of over \$400 million invested to date. It is safe to say that New Orleans would be an economic disaster without the federal rehabilitation tax credit; fortunately the opposite is true, due to the many tax credit projects which our State Historic Preservation Office processes effectively and efficiently every year.*

Over \$8.6 billion private dollars invested in 1400 towns and urban neighborhoods has brought them back to life through the National Main Street Program. This incredible program since 1977 has generated 161,000 net new jobs and 43,800 new businesses, 48,800 building rehabilitations. *In Louisiana the ratio of public to private dollars is 1 to 62. Since Main Street initiation in 1984, over \$97 million has been invested in 24 Louisiana towns under 50,000 in population (an arbitrary restriction by the State; the program is further limited by funding, causing the rejection of several qualified applications every year). In New Orleans, we would like to utilize this program in our many neighborhood commercial areas that have declined. A more adequately funded Historic Preservation Fund could help to make this possible.*

Over 2500 local historic districts have been established throughout the United States, creating a more stabilized environment for investment in historic districts by homebuyers and business. As Mayor Menino of Boston says, "Just look around - people are on the streets - buildings are being renovated - businesses have opened up..", and there are also surveys to back up the obvious. For example, in Georgia (as in other places where such surveys have been completed) historic district protection reversed decline and in most cases caused property values to increase. Establishing local historic district designation should be the first step to ensure sustainable revitalization in any older area. (Newer and non-qualifying areas should attempt to establish at least demolition review through another mechanism.) *In New Orleans, many once-declining neighborhoods (starting with the Vieux Carre, protected since 1936 by the Vieux Carre Commission) that have been designated local historic districts are now thriving and have never looked better, reflecting a greatly improved quality of life and economy. Others have forestalled the horror and destabilizing impact of rampant demolitions, and revitalization is slowly but surely in evidence. Four additional neighborhoods are asking to be so designated, yet funding is so inadequate for the commission staff that it has difficulty handling the 12 existing districts.*

Over the past 25 years there have been other preservation programs efficiently and effectively administered at local, state and federal levels. For example, in the 1970's the National Park Service administered a grants

program through the state preservation offices, a program that was very short-lived, effective as it was. *In New Orleans, the PRC renovated its 1832 townhouse on Julia Row in the late 1970's with these federal matching grants. Thanks to this catalytic project, historic district protection and the federal tax credit, Julia Street is today one of the most exciting in New Orleans, full of apartment buildings, art galleries, shops and restaurants.*

You may not have thought, in your deliberations about the conservation of our nation's historic resources, that you have the opportunity to accomplish so much beyond the actual preservation of historic properties. Another example, and not the least in importance, is the impact on crime. From the book "Fixing Broken Windows" we are told of a survey conducted for the *President's Commission on Law Enforcement and Crime* in 1967, ignored until the 1980's, that "fear of crime was strongly related to the existence of disorderly conditions in neighborhoods and communities." Nothing more graphically announces a neighborhood as "disorderly" than abandoned buildings in disrepair. Please understand that by preserving our historic resources wherever meager resources are available, preservation programs have been successful in creating, among other things, more orderly neighborhoods and communities.

The cost of all preservation programs is minimal, and the leveraged impact remarkable, especially when compared to other local, state and federal government programs. Additionally, preservation programs continue to have an inspiring impact on citizens of all income levels and alleviate many socio-economic ills of the past several decades, such as crime and sprawl. I urge you to support the highly successful preservation program with annual funding of at least \$150 million in the resource protection bills you are considering at this time.

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