

Notes added by Carol Griffith, Housing and Community Development Manager, using Tracked Changes

Honorable Mayor and Council Members,

The list of potential funding sources for historic preservation projects includes The Community Development Block Grant (CDBG) program. This is a flexible program that provides communities with resources to address a wide range of unique community development needs. Funds are primarily used to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons. This highlighted sentence is the mission statement of the CDBG Entitlement Program.

-Historic preservation can be coordinated with a 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.

CDBG has three national objectives, and all projects or programs must meet one of them:

- Benefiting low- and moderate-income persons,
- Preventing or eliminating slums or blight, or
- Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs

Historic preservation may be undertaken if it either benefits low and moderate income persons, or prevents or eliminates slum or blight.

San Marcos has approved funding for historic preservation in the past:

- rehabilitating the historic building that houses Centro Cultural Hispano de San Marcos, since it provides programs that serve low and moderate income people (Centro will be tracking the income of the people served)(project pending approval by SMCISD, the building owner)
- rehabilitating the Cephas house removed spot blight (project complete)

San Marcos has the advantage that many residents are classified as low and moderate income people, so programs that serve the community and track the income of their participants can show they are benefiting low and moderate income people.

Projects designed for the preservation of specific properties - like the Historic Dunbar School building, a city-owned Local Landmark - may be undertaken, if they meet a national objective-

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.

Outlined below are eligible CDBG activities to which historic preservation may be linked, or which may be used in support of preservation objectives:

### **WITHIN THE 20% USED FOR ADMINISTRATION**

#### **Planning (570.205)**

Eligible activities include:

- Comprehensive plans, and community development plans including preservation elements;
- Functional plans for various purposes, including housing, land use, economic development, open space, and energy conservation, including historic preservation elements;
- Data collection, studies, analysis and the preparation of plans and implementing measures including budgets, codes and ordinances;
- 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;
- Activities to enhance the community's capacity for setting goals and objectives to meet needs, including environmental and preservation concerns;
- Reasonable costs of general environmental studies and historic preservation studies and resource surveys, including: environmental review and compliance with Section 106

and Historic Preservation Plans, including:

- 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;
- Delineating historic districts, including reuse plans and the preparation of ordinances and codes to assure preservation of the districts; and
- Strategies and action programs to implement plans to protect and enhance the cultural environment.

### **MUST EITHER REMOVE BLIGHT OR SERVE LOW AND MODERATE INCOME PEOPLE**

#### **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.)

### **MUST SERVE LOW AND MODERATE INCOME PEOPLE – FOR EXAMPLE, JOBS OR TRAINING**

#### **Economic Development Activities (570.203)**

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:

- 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
- Assistance to private-for-profit-businesses, including financial and technical assistance and involving historic properties that are necessary or appropriate.

### **WITHIN THE 20% USED FOR ADMINISTRATION**

#### **Administrative Costs (570.206)**

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

- 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).**

- 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;
- Designing improvements to the facade of structures, including historic buildings and including schematic drawings;
- 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;
- Designing the removal of architectural barriers in structures which limit access for elderly or handicapped persons; and
- Other engineering and design needed to preserve historic properties.

**Consultant Services (570.200(d)).**

- 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.

**MUST EITHER REMOVE BLIGHT OR SERVE LOW AND MODERATE INCOME PEOPLE**

**Acquisition (570.201)**

- Acquisition of properties, including historic properties, in whole or in part by a public agency or private not-for-profit entity;
- Acquisition by purchase, lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, facade easements and other interests);
- 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)).**

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

**Site Preparation (570.201)**

- 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;
- 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:

- 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.

- 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;
- Energy system improvements or retrofitting, e.g., to enhance the use and preservation of historic structures; and
- 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)).**

- 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)).**

- 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))**

- 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
- 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(1))**

- 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))**

- Recipients 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.

**WITHIN THE 20% USED FOR ADMINISTRATION**

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

- Obtaining or providing assistance for planning, developing and administering historic preservation activities;

- 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;
- 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
- Training conferences for municipal and community leaders for encouraging preservation strategies and techniques for implementing them.

**MUST EITHER REMOVE BLIGHT OR SERVE LOW AND MODERATE INCOME PEOPLE**

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

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

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.

Thank you for your time and consideration,  
 Ryan Patrick Perkins  
 512-757-3434

<https://files.hudexchange.info/resources/documents/historic-preservation-in-housing-and-community-development.pdf>  
<https://www.hudexchange.info/resource/3195/historic-preservation-in-housing-and-community-development/>

I (Carol) recommend the following very helpful resource on CDBG National Objectives and Eligible Activities:

[https://files.hudexchange.info/resources/documents/CDBG\\_Guide\\_National\\_Objectives\\_Eligible\\_Activities.pdf](https://files.hudexchange.info/resources/documents/CDBG_Guide_National_Objectives_Eligible_Activities.pdf)