



**National Main Street
Center**
a subsidiary of the
National Trust for Historic Preservation



**National Trust for
Historic Preservation**
Save the past. Enrich the future.



**National Trust Community
Investment Corporation**
a subsidiary of the
National Trust for Historic Preservation



P R E S E R V A T I O N

Action

April XX, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy:

The National Trust for Historic Preservation and the undersigned preservation organizations and businesses thank you for your extraordinary efforts in acting to address so many of our nation's needs in our current health and economic emergency. The enactment of the \$2.2 trillion Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and other response legislation provided essential funding and programs to begin our nation's recovery. The CARES Act provided much needed funding for the nonprofit sector, including the arts and humanities, and we thank you for those provisions, including:

- The Paycheck Protection Program and its forgivable loans to benefit small businesses and nonprofit organizations;
- Providing a universal above-the-line deduction for taxpayers making charitable contributions; and
- Creating additional funding for the National Endowment for the Arts (\$75 million), National Endowment for the Humanities (\$75 million), and the Institute for Museum and Library Services (IMLS) (\$50 million).

We are also extraordinarily thankful for last week's Paycheck Protection Program and Health Care Enhancement Act that will provide an additional \$321 billion for the Paycheck Protection Program. This program is essential to ensuring economic vitality and meeting the needs of nonprofit organizations and the small business community, especially Main Street businesses.

A recent study by the National Main Street Center documents the profound threats faced by small Main Street businesses. Approximately 3.5 million small businesses are in danger of permanent closure over the next two months, and nearly 7.5 million are in danger of closing over the next five months as a result of the crisis. Importantly, approximately 35.7 million Americans employed by these small businesses may face unemployment. The extension of the Paycheck Protection Program is crucial to protecting small businesses and their staff in the coming months.

Despite these provisions, nonprofit organizations continue to operate in a state of economic crisis due to the loss of revenue from closures, event cancellations, and a decline of charitable contributions. As we respond aggressively to our national health emergency, at the appropriate time in a future coronavirus-related stimulus package, we respectfully request additional investments in the following programs to catalyze the economic recovery of nonprofit organizations, small businesses, and the arts and culture sector, while also protecting historic and cultural resources.

Historic Tax Credit

The federal historic tax credit (HTC) has been the nation's most significant investment in historic preservation and has been an essential tool to rehabilitate downtowns and catalyze economic development. Historic rehabilitation incentives have shown time and again their ability to stimulate economic activity and promote job creation.

We urge you to include the bipartisan and bicameral policy recommendations included in the Historic Tax Credit Growth and Opportunity Act (S.2615 / H.R. 2825) (HTC-GO). The HTC-GO legislation would enhance the HTC by encouraging more building reuse and further incentivizing redevelopment in all communities, including our smaller and rural Main Street communities. These provisions would not only make HTCs easier to use and more historic properties eligible, but they would also enhance the value of these credits for real estate investors.

We are also seeking a temporary increase in the credit percentage for all HTC projects and other provisions designed to keep current rehabilitation projects on track. Past federal disaster recovery legislation included increases to the HTC to help speed economic recovery. For example, the HTC was increased from 20 to 26 percent after Hurricane Katrina in the GO-ZONE Act of 2005 to help rebuild disaster-affected areas. The HTC was similarly increased in the Emergency Economic Stabilization Act of 2008 to address flooding, tornado, and severe weather damage in several mid-Western states. Data shows these temporary increases to the HTC exponentially increase rehabilitation activity, stimulate job creation, and catalyze additional community investment that would not otherwise occur.

Historic Preservation Fund and Rehabilitation Grants

The National Trust recommends supplemental funding of \$420 million for the Historic Preservation Fund (HPF). This includes a proposal of \$120 million outlined by the National

Conference of State Historic Preservation Officers and the National Association of Tribal Historic Preservation Officers for these purposes:

- \$30 million for State Historic Preservation Officers (SHPOs) for survey, digitization, mapping, and technology tools;
- \$15 million for Tribal Historic Preservation Officers (THPOs) to utilize as they choose; and
- \$75 million for SHPOs to allocate among the nation's 2,000 Certified Local Governments (CLGs) to support bricks and mortar rehabilitation projects, survey, education, and planning.

The National Trust supports this proposal, and we believe there is also a need for a much larger investment of \$300 million to catalyze the economic benefits of historic rehabilitation and related historic resource programs. We support increases of \$75 million each in these existing and successful HPF programs:

- Paul Bruhn Historic Revitalization Grants program;
- Save America's Treasures;
- Historically Black Colleges and Universities Grant Program; and
- African American Civil Rights Grants, including its expansion to Civil Rights for All Americans.

We will also work with the Congress and the National Park Service (NPS) to ensure the effective administration of these programs.

Great American Outdoors Act (S. 3422)

This historic legislation was introduced in the Senate on March 9 by Senators Gardner (R-CO), Manchin (D-WV), Daines (R-MT), and Warner (D-VA). It would provide up to \$9.5 billion in dedicated funding over five years (\$1.9 billion per year) for much needed repairs of the National Park Service and other federal agencies. The NPS deferred maintenance backlog alone has ballooned to \$12 billion, of which 47 percent is for historic assets. The bill would also guarantee full funding of \$900 million annually for the Land and Water Conservation Fund (LWCF), one of the nation's most popular and effective programs for adding to our public lands. The LWCF has invested more than \$570 million to acquire land in our nation's historic and cultural parks managed by the NPS, and many millions more to add other public lands that tell diverse stories of our nation's history.

A total of 58 Senators have cosponsored this legislation, and the Advisory Council on Historic Preservation has also adopted a resolution supporting it.

If enacted, this legislation would be the single largest federal investment in preservation of historic and cultural resources for public lands in our generation.

Charitable Giving Incentives

The National Trust supports the enhancement of charitable giving incentive provisions included in the CARES Act that would enable charitable nonprofit organizations—the third largest employer in our nation’s economy—to continue serving their communities. We request that the \$300 per person cap on the above-the-line charitable deduction provision in the CARES Act be increased and the effective date extended to strengthen this giving incentive and encourage Americans to support their communities with charitable donations.

National Endowment for the Arts (NEA)

The National Trust supports additional relief funding through the National Endowment for the Arts to preserve jobs in the arts sector and help support organizations facing closure due to the spread of COVID-19. Initial funding of \$75 million should be supplemented with substantial additional funding to help sustain the arts sector and ensure continuation of its important contributions to our culture and economy.

National Endowment for the Humanities (NEH)

Similarly, the National Trust supports an additional emergency supplemental funding of at least \$425 million to the NEH. This funding would build upon the initial \$75 million provided for grants to state and jurisdictional humanities councils and to support at-risk positions and projects at museums, historic sites, libraries and archives, colleges and universities, and other cultural nonprofits. Museums and historic sites are reporting losses of \$1 billion a month from closures and cancelled events. Accordingly, substantial investment will be necessary to ensure the \$878 billion arts and cultural economic sector can continue to serve and enrich communities nationwide throughout and following the current crisis.

Institute of Museum and Library Services (IMLS)

We support supplemental funding specifically for museums to cover needs not filled by the Paycheck Protection Program. As the primary source of federal support for the nation’s museums and libraries, the IMLS should receive substantial additional funding to support these critical community resources. Our museums and libraries are both national assets and local community anchors that promote lifelong learning and community wellbeing.

National Historic Preservation Act and National Environmental Policy Act

We also urge you to oppose any legislative exemptions from provisions of the National Historic Preservation Act, including Section 106, or the National Environmental Policy Act (NEPA). The regulations that implement Section 106 and NEPA provide a variety of tools, including administrative exemptions, that allow federal agencies to adapt their compliance processes to respond to emergency situations. Federal agencies are already using these existing mechanisms, and they are working effectively to meet the need.

Thank you again for your leadership on these issues and your commitment to recognizing the importance of directing federal investment to preserving our nation’s historic and cultural

resources. We look forward to working with Congress and our partners to provide the funding and programs that can catalyze our national recovery.

Sincerely,

DRAFT