

**HISTORIC PRESERVATION
A ROLE FOR THE NEW YORK COMMUNITY TRUST**

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In this paper, we will recommend a grantmaking strategy for a new program in Historic Preservation. This document:

- Provides a brief history of the field;
- Discusses the contributions of historic preservation;
- Reviews the current state of historic preservation in New York City;
- Identifies changes in funding that affect historic preservation;
- Summarizes important trends in the field;
- Proposes a grantmaking strategy.

I. OVERVIEW OF THE FIELD

Historic preservation is defined as the protection, enhancement, and perpetuation of buildings, districts, and sites that have a specific historical, cultural, or aesthetic value important to the development and heritage of the City. It is a relatively young field.

- It emerged in the 1950s out of citizens organizing to protect the City's significant buildings and sites, after the post-World War II building boom threatened historic structures and neighborhoods.
- The 1963 demolition of Pennsylvania Station and the effect of Robert Moses's urban renewal work in all the boroughs increased public awareness of the need to protect the City's architectural and historical heritage.
- This led to the enactment of the 1965 Landmarks Law and the creation of the Landmarks Preservation Commission.

The mandate of the Landmarks Preservation Commission is to designate and safeguard New York City's landmarks.

- Landmarks are buildings, districts, and sites that are more than 30 years old and have a historical, cultural, or architectural value important to the City's development.
- There are four types of landmarks:
 - Exterior;
 - Interior;
 - Scenic landmarks;
 - Historic districts.
- When a building is landmarked, any alteration, restoration, new construction, or demolition must be approved in advance by the Commission.
- Since its creation, the Commission has designated more than 933 exterior landmarks, 94 interior landmarks, 9 scenic landmarks, and 66 historic districts:
 - The vast majority are privately owned residential properties;
 - The Commission has favored architectural criteria in its decision making.

Many designated landmarks and buildings within historic districts are listed in the New York State and National Registers of Historic Places. These listings:

- Provide protection from Federal and/or state-sponsored construction or alteration projects;
- Offer owners of income-producing properties (commercial, office, industrial, and rental residential) a 20 percent Federal investment tax credit for the cost of “certified rehabilitations.” (Private homeowners do not qualify.)

Historic preservation has many benefits for New York City.

- The most obvious benefit is aesthetic: landmarked neighborhoods, skyscrapers, and religious properties, restored homes and former farmhouses, and protected open spaces and scenic views enhance the cityscape.
- It has economic benefits.
 - Preservation plays a strong role in attracting tourists who come to New York to see Ellis Island, the Soho Cast Iron District, South Street Seaport, St. Patrick’s Cathedral, and other landmarks, stimulating local business in the process.
 - It also attracts businesses. For example, the area of lower Fifth and Sixth Avenues (between 14th and 23rd Streets), formerly characterized by dilapidated and vacant buildings, has undergone a commercial renaissance since its designation in 1989 as the Ladies’ Mile Historic District.
- In residential areas, historic preservation can stabilize and improve property values, and produce a ripple effect on the surrounding neighborhood.
 - In the Bronx, the Longwood Historic Community Association rehabilitated several brownstones, which have doubled in value.
 - In the Prospect Park/Lefferts Gardens Historic District in Bedford Stuyvesant, renovation of brownstones by the Brooklyn Ecumenical Cooperative started a wave of rehabilitation in the neighborhood.
 - In downtown Jamaica, Queens, after several decaying buildings were rehabilitated by the Greater Jamaica Development Corporation, private owners expressed new interest in investing in properties along the main commercial strip.

- Preservation can maintain the cultural distinctiveness of a place and help residents feel commitment to a neighborhood.
- The Woolworth store in Corona, Queens, where the first popular protest broke the color hiring barrier, is an important symbolic place in this mostly African-American community.
- Stonewall Inn in Greenwich Village represents the origin of the gay rights movement.

- Historic preservation acts as New Yorkers' link to the past.
- A visit to New York's African Burial Ground brings a long-lost chapter of American history to life.
 - A walk through the tenements of the Lower East Side provides a visceral understanding of immigrant life.

But, historic preservation is not without cost or controversy.

- Working to conserve historic sites is difficult and often expensive.
- Debate over which historic places rise to the level of public concern is inevitable.
- In certain instances, the protection of historic places may stand in the way of real estate and economic development.

II. NONPROFIT INVOLVEMENT IN HISTORIC PRESERVATION

In New York City, nonprofit preservation groups conduct a range of activities that include:

- Preserving, restoring, and maintaining historic sites;
- Advocating before public agencies and organizing public support for preservation;
- Providing technical expertise and guidance;
- Sponsoring public programs such as exhibitions, tours, exhibits, lectures, and panel discussions;
- Offering school programs about the history of buildings and neighborhoods.

Roughly 100 nonprofit organizations in the City are engaged in historic preservation. They fall into three tiers.

- The top tier consists of two citywide groups—The Municipal Art Society and New York Landmarks Conservancy, each with budgets over \$2 million:
 - The Municipal Art Society champions excellence in urban design, planning, and preservation, and offers forums, workshops, publications, and technical assistance on citywide and grassroots preservation issues;
 - New York Landmarks Conservancy presents public information through workshops, technical publications, lectures, and tours. It also provides grants and low-interest loans, which are described on page nine.
- The middle tier consists of 15 to 20 organizations with budgets over \$100,000; these include:
 - Citywide groups (e.g., Historic Districts Council);
 - Groups that work in specific neighborhoods (e.g., Landmarks Harlem, Staten Island Preservation League, Friends of the Upper East Side Historic Districts);
 - Groups that concentrate on defined areas of preservation such as cast iron or terra cotta architecture.
- At the third level are small groups that are either all-volunteer or have minimal staff.

Community development corporations are becoming more active in historic preservation.

- They have renovated historically and architecturally significant buildings for housing, commercial activity, and community use.
- These efforts have sparked broader community revitalization.
- Many of these projects are in minority and low-income neighborhoods.
- The Abyssinian Development Corporation is renovating the Renaissance Ballroom as a setting for weddings and other special events.
- The Manhattan Valley Development Corporation has created over 1,000 units of affordable housing in formerly abandoned landmarked buildings.

III. FUNDING FOR HISTORIC PRESERVATION

New York City's preservation organizations rely on donations from individuals.

- This private money is supplemented by a mix of public, foundation, and corporate grants, and earned income.
- Most individual contributions go to capital projects, and are not available for ongoing maintenance.
- Community-based organizations have limited access to either private or public funds.

There are limited sources of funding from the Federal government.

- These funds have diminished in recent years.
- The National Trust for Historic Preservation, which currently has an annual budget of \$250,000 for the entire country, administers three funds: one provides matching grants for conferences and workshops; another for obtaining the services of preservation consultants; and the third provides low-interest loans to community-based organizations for acquisition and rehabilitation of landmark buildings.
- The National Endowment for the Arts (NEA) previously provided \$1.5 million a year for historic preservation through its Design Arts Program. This was eliminated in 1998.
- A new ancillary source is The Intermodal Surface Transportation Efficiency Act (ISTEA), which includes some funds for preservation projects that are on or visible from the transportation system, such as restoration of Grand Central Terminal.

At the State level, funding is available through two public agencies.

- New York State Council on the Arts provides grants to preservation organizations for general operations, technical publications, architects' fees, and adaptive use studies. It does not fund capital projects.
- For 1998, the Council's statewide grants budget is \$595,000, and of this amount, about \$350,000 will be awarded to preservation groups in New York City.
- Approximately two-thirds of the money allocated to New York City traditionally goes to the Municipal Art Society and the New York Landmarks Conservancy.

- The New York State Office of Parks, Recreation, and Historic Preservation administers two programs:
 - The Environmental Protection Fund, which provides matching grants for the preservation of properties on the State or National Register of Historic Places. In 1998, \$2.9 million is allocated for this purpose.
 - Historic Preservation Tax Credit, which allows a 20 percent tax credit for the rehabilitation of historic buildings (commercial, office, industrial, and rental residential buildings).

A few sources of funds exist at the City level.

- The New York City Department of Cultural Affairs funds restoration and maintenance projects of major cultural institutions in City-owned sites, such as New York Botanical Garden, Snug Harbor Cultural Center, New York Public Library.
 - In 1997, the budget for this program was \$170.5 million;
 - In 1998, it was cut to \$34.3 million.
- The New York City Landmarks Preservation Commission has \$174,000 available in 1998 for facade improvements of designated landmark buildings (including private residential property).
- The Historic House Trust allocates City funds for the restoration and maintenance of 16 historic house museums located in City-owned park land, and also raises private money for this purpose.
- Borough Presidents and City Council members make grants from discretionary funds.

Two nonprofit preservation organizations, with a combined budget of \$350,000, also make grants.

- New York Landmarks Conservancy offers grants and loans through three programs:
 - Historic Properties Fund: provides low-interest loans for property owners in low- and moderate-income historic districts to restore and repair buildings;
 - Sacred Sites Program: provides financial and technical help for restoration, maintenance, and repair of religious properties with landmark status;
 - City Ventures Program: provides grants and architectural services to help revitalize landmark-quality buildings for low- and moderate- income housing.
- Preservation League of New York State funds the preparation of historic structure and landscape reports, and cultural resource surveys.

Foundation and corporate support for historic preservation is minimal and has been severely reduced.

- The Vincent Astor Foundation, with an annual giving program of \$300,000, closed in 1997, leaving a major gap in the field.
- J.M. Kaplan Fund no longer funds historic preservation.
- Corporate mergers have combined a number of funding programs, e.g., the merging of Chase Manhattan Bank and Chemical Bank collapsed two programs that supported preservation into one, with half the funding formerly available.
- Joyce Mertz-Gilmore Foundation currently is the most active historic preservation funder in New York City with an annual preservation grant budget of \$150,000 to \$250,000.
- A few foundations support historic preservation projects on a national level, a small percentage of which goes to New York City:
 - Getty Grant Program;
 - Samuel H. Kress Foundation;
 - The Andy Warhol Foundation for the Visual Arts.
- Some New York foundations that do not have historic preservation programs make grants through other program areas:
 - American Express Foundation for projects related to tourism;
 - Booth Ferris Foundation for community revitalization initiatives;
 - Chase Manhattan Bank for economic studies related to preservation.

IV. MAJOR ISSUES AND TRENDS

Although most preservation has taken place in Manhattan, civic participation in historic preservation is increasing throughout the City.

- Local residents and groups outside Manhattan are beginning to view preservation as a tool for maintaining the quality, history, distinctiveness, vitality, and livability of their neighborhoods.
- Community development corporations are branching out and becoming involved in historic preservation, particularly in low-income and minority neighborhoods.

Varied groups are embracing preservation to document their heritage.

- Saving significant sites can help groups learn their own history and anchor community identity.
- Preservation is an opportunity to increase knowledge and understanding among the City's diverse citizenry.
- Protecting the memories and associations embodied by places enriches the whole City.
- But, communities might disagree over which sites are important and deserve protection.

The field of historic preservation is becoming more inclusive.

- Preservationists are joining with local groups and with experts in a wide range of subject areas.
- Preservation is being used to save places with social and historic significance, not just those of architectural importance.

Despite the heightened interest in historic preservation, there is scant funding available.

- Both government and foundation money has diminished.
- The lion's share of preservation funding goes to high-visibility capital projects in Manhattan and the largest and most established preservation organizations.
- Critical funding is needed for maintenance, but these ongoing costs far exceed the budgets of foundations involved in historic preservation.

Groups are developing alternative approaches for covering maintenance costs, such as:

- Securing government money and tax breaks through historic site designation;
- Organizing collaborative projects;
- Developing earned income programs;
- Undertaking long-range strategies to obtain private contributions;
- Advocating for new government programs to subsidize maintenance (U.S. Department of Housing and Urban Development, New York State Department of Housing and Community Renewal, New York City Department of Housing Preservation and Development).

Because so few foundations and corporations work in this area, a budget of \$200,000 to \$300,000 per year will have a significant impact on the field.

V. STRATEGY RECOMMENDATION FOR OUR HISTORIC PRESERVATION PROGRAM

In order for historic preservation to reach and have an impact on the entire City, the overall goals of our program will be to:

- Support preservation in low-income and minority communities and the boroughs outside of Manhattan;
- Restore historic places that represent significant and overlooked aspects of New York City's history.

Our specific objectives will be to:

- Foster collaborations between preservation organizations and minority, ethnic, and other community groups;
- Incorporate preservation efforts into neighborhood revitalization initiatives and increase the preservation expertise of community organizations;
- Promote the adaptive use of historic buildings for social, cultural, and civic purposes;
- Help groups develop alternative sources of financial support for capital, maintenance, and repairs. Examples include:
 - obtaining historic site designation to access government funds and tax advantages;
 - producing condition surveys required for capital grants;
 - planning and implementing capital campaigns and strategies to expand private giving and generate earned income;
 - supporting collaborative projects with for-profit ventures;
 - advocating for increased government support for historic preservation.

To ensure maximum impact from our limited funds, we will not make grants directly for maintenance or capital projects. However, the Trust has established a modest fund with the New York Landmarks Conservancy for emergency structural repairs (maximum grant \$25,000) for nonprofit organizations which own and operate historic buildings in New York City.