



The preservation community's unified voice at the State Capitol since 1980

February 29, 2016

In regards to the Committee on Finance, Revenue, and Bonding No. 5490: An Act Concerning the Historic Rehabilitation Tax Credit, *Connecticut Preservation Action* (CPA), which represents preservation organizations across the state whose supporters use this tax credit, objects to this change in its current form. As it now reads, this bill undermines the original intent of this incentive, the value of tax credits, and how they function. This addition to the Historic Homes Tax Credit law undermines the value of this incentive. This amendment would be the legislative equivalent of municipal spot-zoning.

Tax credits are a proven incentive for historic preservation and critical tools in economic revitalization and place-making. Study after study has proven that historic districts raise property values.¹ Without such incentive and investment in protecting and developing our historic resources, the state is in danger of losing local connections as well as valuable, sustainable, and proven development opportunities. This bill, perhaps unknowingly, diverts the law from the purpose of the Historic Homes Tax Credit: to encourage the preservation of historic buildings and their historic fabric.

By specifying “blue stone sidewalks,” this bill caters to the preservation of a specific neighborhood landscape and could bear harmful consequences to the intent of the original tax credit law. It would set a dangerous precedent for all sorts of exceptions that go beyond the eligible expenditures for the state (and federal) tax credit programs. So firstly, we understand that a feature like blue stone sidewalks would certainly contribute to the character of the historic landscape for a neighborhood or historic district. Unfortunately, while CPA accepts and absolutely supports the importance of cultural landscape preservation, the Historic Homes Tax Credit (like the Federal Preservation Tax Credit) applies to buildings only, and not site work. It covers the repair or restoration of features that retain the historic character of a home, or make such a home habitable, and not to the neighborhood. Secondly, the wording in this proposed amendment opens the potential for endless legislative amendments that include any work affecting a historic home regardless of whether that work is actually for the purpose of preserving the historic character and habitability of the home.

This rewritten legislation will unnecessarily dilute and convolute a valuable tool for helping Connecticut invest in a sustainable future, by preserving the built environment of the past. This bill is amending an already good law to benefit a specific circumstance.

Respectfully,

Leah S. Glaser, PhD
President, *Connecticut Preservation Action*

¹ Donovan Rypkema, Place Economics, “Investment in Connecticut: The Economic Benefits of Historic Preservation,” Prepared for Connecticut SHPO, 2011; Donovan Rypkema, Place Economics, “Connecticut Local Historic Districts and Property Values,” Prepared for Connecticut Trust for Historic Preservation, 2011.