

May 9, 2003

Vermont Housing and Conservation Board
POLICY POSITION
HISTORIC PRESERVATION

Much of Vermont's history and culture is contained in its older buildings and beneath the ground in archeological sites. These properties provide today's Vermonters with important links to the history and culture of previous generations. Historic buildings form the core of most Vermont cities, towns, and agricultural communities and reflect the unique character of a community. Historic buildings and archeological sites are essential components of Vermont communities. The Vermont Housing and Conservation Trust Fund Act (the "Act") cites as one of its purposes: "to maintain for the benefit of future generations the essential characteristics of the Vermont countryside."

Whereas, it is important to preserve Vermont's historic buildings and sites, archeological resources and working landscape;

Whereas, it is important to maintain the historic settlement patterns of compact village and town centers separated by rural countryside;

Whereas, Vermonters of all income levels should be able to enjoy the public benefits of historic resources;

Whereas, historic preservation is an important component of projects funded by the Board both in and of itself and as a secondary benefit of many affordable housing, farmland preservation, public outdoor recreation and natural area projects; and

Whereas, under the Act the Board is encouraged to give priority to those projects which combine the dual goals of creating affordable housing and conserving and protecting Vermont's agricultural land, historic properties, important natural areas or recreation lands.

The Board hereby adopts the following policy to carry out the historic preservation portion of its mission.

PART ONE - HISTORIC BUILDINGS

I. Single Goal Historic Projects - Outstanding Historic Buildings

The Board may provide funds for the purchase or rehabilitation of an historic building as a single goal project only if the Board determines that the project meets all of the following criteria:

- A. The building is on or eligible for listing in the National Register of Historic Places; and
- B. The building is of "outstanding historic significance" (as generally defined herein) to the State of Vermont or the United States of America because of its architectural,

archeological or cultural features, its condition, or the importance of its former inhabitant(s); and

- C. The building is, or will be, owned by a qualified nonprofit corporation with 501(c)(3) status under the Internal Revenue Code, a municipality or the State of Vermont and the public is provided with reasonable and regular access to the building and its grounds for charitable, educational, recreational, conservation or cultural purposes; and
- D. The building shall be rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation, 36 CFR 67, (the "Secretary's Standards). Prior to disbursement of VHCB funds, the applicant shall demonstrate to VHCB satisfaction that it has, or will have, sufficient funds from sources other than VHCB, to rehabilitate the building within a reasonable period of time.

II. Definition of "Outstanding Historic Significance"

In determining whether a building is of "outstanding historic significance", the Board shall consult with a qualified historic preservation professional, the Vermont Division for Historic Preservation (the "Division") or the Preservation Trust of Vermont ("Trust") and shall consider a number of factors, including, but not limited to, whether the building is on or eligible for listing in the National Register of Historic Places and is:

- * among the best in its class within the state;
- * very important due to its status as a very early example of its type;
- * a very good example of a rare type;
- * important due to its pristine, unchanged character, when others of its type are typically somewhat changed;
- * plays a crucial role in defining and maintaining a special landscape or village setting of statewide significance;
- * an excellent example of period craftsmanship with extensive exterior detail;
- * a historical landmark prominently associated with an important person, movement or industry of statewide significance; OR
- * a rare survivor

III. Historic Preservation Easements and Guidelines for Stewardship Grants

If the Board provides an award for a project which includes a building of outstanding historic significance, the owner shall execute and record in the land records of the municipality where the building is located an historic preservation easement of perpetual duration held by VHCB and the Preservation Trust of Vermont. The easement shall require the owner to work with a qualified historic preservation professional to document the significant historic features of the building and maintain those features in accordance with the Secretary's Standards.

When VHCB awards such a grant for a building of outstanding historic importance, the Board shall also provide a grant to the co-holder of the Historic Preservation Easement (Preservation

Trust of Vermont, or another qualified preservation organization which has executed a Stewardship Memorandum of Understanding with VHCB) for the reasonable costs of preparing a baseline documentation report on the significant features of the buildings and for a reasonable contribution to a stewardship endowment fund to assure professional easement monitoring and enforcement in perpetuity.

The Board shall normally award Seven Thousand Five Hundred Dollars (\$7500) for documentation, easement stewardship and enforcement for buildings of outstanding historic significance. VHCB staff will have the flexibility to recommend increasing the stewardship award for projects that are particularly complicated (such as those with multiple buildings, multiple parcels, multiple towns or complicated outstanding features). The Board will use these fee levels as a guideline and reserves the right to evaluate all project requests on a case-by-case basis. The Board shall review the reasonableness of stewardship awards from time to time but not later than five (5) years from the effective date of this Section III.

The relationship between VHCB and Preservation Trust of Vermont, or another qualified preservation organization regarding stewardship (monitoring and enforcement of historic preservation easements) shall be included in a Memorandum of Understanding (MOU). This MOU shall be reviewed every five (5) years.

IV Local Conservation Policy and Historic Buildings

Notwithstanding Section I, above, the Board may provide an award for purchase or rehabilitation of a building on or eligible for listing in the National Register of Historic Places even if it is not of outstanding historic significance, provided that the project has tremendous local or regional significance and the project complies with the VHCB policy on the funding of local conservation projects. Normally, the Board will not require an easement on buildings which are not of outstanding historic significance. However, these projects must meet the requirements of applicable VHCB policies including Section I, subsections A, C and D, above.

V. Affordable Housing Projects in Historic Buildings (Dual Goal Historic Projects)

Notwithstanding the provisions of this policy which limit the use of VHCB funds to purchase of historic buildings, under VHCB policies on funding for affordable housing the Board may fund both purchase and rehabilitation of buildings developed by eligible applicants as affordable housing projects for lower income Vermonters. If such buildings are of outstanding historic significance, the Board may require the owner to execute an historic preservation easement and will normally award funds to the Preservation Trust of Vermont in accordance with this policy. Where the Board provides federal funds to an affordable housing project, the Board shall comply with its responsibilities under Section 106 of the National Historic Preservation Act, 16. U.S.C. 470.

VI. Notice Provision on Farm Buildings

Where the Board provides an award for purchase of development rights and conservation restrictions on farmland, the Board will not require, or provide an additional funds for, purchase of an historic preservation easement on a building located on the protected farmland. However, to protect (i) farm buildings of outstanding historic significance; and (ii) farm buildings on or eligible for listing in the National Register of Historic Places, the Board may require the owner to sign a Grant of Development Rights and Conservation Restrictions ("Conservation Easement") which includes the following paragraph (the "Notice Provision"):

Grantor and Grantees acknowledge that the *[name of the building or complex of buildings]*, depicted on the _____ Farm Plan (hereinafter "the Building") is an outstanding historical resource important to Vermont's architectural heritage for the following reasons:

- A. The Building is listed on/is eligible for the National Register of Historical Places in Vermont.
- B. *[Based upon consultation with the Division, describe specific architectural and historical features of this project, relying on the Division for Historic Preservation's criteria for "Outstanding" resources.]*

Grantor shall consider the Secretary of Interior's Standards for Rehabilitation (or such successor standard identified by Grantees) in planning additions and physical or structural alterations to the Building. Further, notwithstanding the provisions of Permitted Use paragraphs 3 and 6 above, Grantor shall not move, demolish, remove or raze the Building, physically alter or remove the Building's exterior, make any addition to the Building, or structurally alter the Building without providing written notice to Grantees at least thirty (30) days prior to the commencement of such activities (the "notice period"). Upon request by Grantees, Grantor shall (i) contact the Vermont Division for Historic Preservation (or any successor historic preservation expert identified by Grantees) within seven (7) days of the request and (ii) consult with the Division (or any successor historic preservation expert identified by Grantees) within the notice period.

Notwithstanding the second sentence of this Section VI, the Board will not require the owner of a farm building which is not of outstanding historic significance, to include the Notice Provision in the Conservation Easement on the farm. However, the willingness of the property owner to agree to the Notice Provision is a competitive factor (leverage) under the VHCB policy on funding conservation of agricultural land.

VII. Protection in Lieu of Easements

Where VHCB funds are provided for the acquisition or rehabilitation of a building on or eligible for listing in the National Register that is not protected by an historic preservation easement, the VHCB Grant Agreement may contain a condition that the building be rehabilitated in accordance with the Secretary's Standards and that the owner make every reasonable effort to continue to maintain the building's exterior features in accordance with the Secretary's Standards. The Division or the Trust will be available to advise and educate owners about how to comply with the Secretary's Standards.

VIII. Conflicts Between Project Goals

In many of the dual or multi-goal projects that the Board supports, the primary use of the building is as a barn, residence, or recreational facility, and the land is for farming, public outdoor recreation or is a natural area. In certain cases conflicts can arise between the preservation of the historic characteristics of the building or land and its primary function. The Board recognizes and values the historic features of dual/multi-goal projects and will strive and work with the Division and with applicants towards the resolution of any conflicts. Applicants must demonstrate that they have contacted the Division or a qualified historic preservation professional and that the applicant has made an effort to resolve any conflict.

In dual goal (housing/historic preservation) and multi-goal conservation projects, the Board shall consider whether rehabilitation in accordance with the Secretary's Standards or the presence of a Notice Provision or Historic Preservation Easement has a substantial impact on other VHCB goals and shall score the project accordingly. Affordable housing projects in rehabilitated historic buildings may have a higher per unit cost, but the benefits realized by rehabilitation of historic structures due to location (in or adjacent to a downtown or historic neighborhood), architectural/historical merit or prominence as a local landmark are important and consistent with the goals and purposes of the Act.

IX. National Historic Preservation Act and Vermont Historic Preservation Act

Applicants should be aware that other laws (i.e. Vermont Historic Preservation Act, Act 250 and Section 106 of the National Historic Preservation Act) may require separate reviews of projects for compliance with historic preservation guidelines. Certain VHCB funded projects require review by the Division, or a qualified historic preservation professional acceptable to the Division, prior to final disbursement of VHCB funds. Nothing in this policy is intended to conflict with obligations arising from Section 106 and any regulations or agreements related thereto, and applicable provisions of the Vermont Historic Preservation Act.

X. Historic Preservation Tax Credits and Other Leverage

Applicants should make every effort to leverage as many sources of funds as possible. Consistent with this policy, the Board encourages the use of federal rehabilitation investment tax credits wherever feasible and practical, local fundraising and private foundations. Applicants should include in their application fundraising outlines or plans which summarize present or future sources of revenue for purchase, rehabilitation and use of the building.

XI. Project Review Process and Responsibilities of Applicants for VHCB Funding

Wherever possible and feasible, projects funded by the Board should preserve the existing important features of historic buildings, landscapes, and archaeologically sensitive areas. Towards this end, if a project involves alteration or renovation of a building that is more than 50 years old or disturbance of ground in such a manner as to potentially disrupt an archaeologically sensitive area, applicants must provide the Division and/or VHCB staff with a summary of the work to be undertaken and appropriate photographs. Disturbance of the ground for plowing and other normal agricultural practices shall not necessitate project review by the Division. This information should be provided early in the project process and no later than at the time of application to the Board to facilitate the resolution of potential conflicts. The Division and/or VHCB staff will review the information received and advise both the applicant and the board whether or not the proposed project meets the Secretary of Interior's Standards for Rehabilitation.

XII. Community Education and Informational Materials on Historic Resources

The Board shall work with the Division, Trust, VHCB Grantees and other members of the historic preservation community in Vermont to educate Vermonters about the importance of the protection of our historic resources and shall provide to owners of properties acquired or protected with VHCB assistance available materials on historic resources, compliance with applicable legal requirements and the importance of proper rehabilitation of historic buildings and appropriate stewardship.

[This policy replaces the VHCB Policy Position, Historic Preservation, 9/95 in its entirety]