March 25, 2019

The Hon. Daniel J. Fox, Co-Chair
The Hon. Mae Flexer, Co-Chair
Government Administration and Elections Committee
Legislative Office Building, Room 2200
Hartford, CT  06106

RE:  Section 2, Senate Bill 1107

Dear Co-Chair Fox, Co-Chair Flexer, and Committee Members:

The National Trust for Historic Preservation in the United States strongly opposes Section 2 of Senate Bill 1107.

Connecticut is recognized nationally for its strong record of historic preservation protection. However, Section 2 of Senate Bill 1107 threatens to undermine decades of hard work by citizens and officials at every level of government to protect historic properties. Section 2 would also erode and dramatically weaken the Connecticut Environmental Protection Act (CEPA), thus creating uncertainty for property owners and exposing the state to unnecessary litigation risk.

Moreover, Section 2’s proposal to remove CEPA protection from historic resources in Opportunity Zones would not only undermine this important preservation law, but would also represent an enormous missed opportunity for enhancing the economic benefits of Opportunity Zones. Incentivizing the demolition of historic resources would result in losses for Connecticut’s cities and the state by eliminating the ability to unite Opportunity Zone incentives and historic preservation incentives in important ways.

For example, state historic tax credits, like the ones offered by Connecticut, are a powerful economic revitalization tool that can be tailored to enhance the state’s ability to respond to challenges like the creation of affordable housing. Historic tax credits already provide a way to incentivize private investment and better balance the flow of real estate capital between new construction and existing buildings. Historic tax credits also attract significant capital to low-income neighborhoods such as those the Opportunity Zone incentive seeks to support. These new investments are often catalytic, generating a cycle of economic revitalization, encouraging additional investments, raising property values, and creating safer and more secure living and business environments. Opportunity Zones thus offer an area where historic tax credits can be targeted. States like Missouri, for example, are setting aside a portion of their credits for rehabilitation projects within Opportunity Zones. Other states like Maryland are considering an increased percentage rate of their state historic tax credit for historic rehabilitation projects within these Opportunity Zones.
For decades, historic districts across the country and throughout Connecticut have used their historic places and streetscapes—which have been protected in various ways through listings in the National Register of Historic Places, CEPA review, and local preservation commission review—as assets for community revitalization, providing greater diversity of income and cultural background in neighborhoods, increasing property values, and increasing job opportunities. As the Preservation Green Lab report, OLDER, SMALLER, BETTER1 from 2014 concluded, protecting the historic assets of our cities and towns is critical to the incubation of small business that are the primary job creators in the U.S. economy. By exempting Opportunity Zones from CEPA review, Section 2 of Senate Bill 1107 would harm Connecticut’s historic assets in irreversible ways.

For these reasons, we oppose Section 2 of Senate Bill 1107 and urge you to reject it.

Respectfully submitted,

William J. Cook
Associate General Counsel

cc: Hon. Will Haskell, Vice-Chair, Government Administration and Elections Committee
    Hon. Michael Winkler, Vice-Chair, Government Administration and Elections Committee
    Hon. Rob Samson, Ranking Member, Government Administration and Elections Committee
    Hon. Mike France, Ranking Member, Government Administration and Elections Committee
    Committee Members, Government Administration and Elections Committee
    Sara Bronin, Board Chair Connecticut Trust for Historic Preservation
    Merrill Hoopengardner, President, National Trust Community Investment Corporation
    Patrice Frey, President & CEO, National Main Street Center

1 National Trust for Historic Preservation, Preservation Green Lab, OLDER, SMALLER, BETTER: MEASURING HOW THE CHARACTER OF BUILDINGS AND BLOCKS INFLUENCES URBAN VITALITY (May 2014).