



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1573

PRINTER'S NO. 2884

PRIME SPONSOR: Ciresi

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

House Bill 1573 establishes the Historic and Older Building Redevelopment Assistance Grant Program as a pilot program within the Department of Community and Economic Development.

ANALYSIS:

This bill, to be known as the Historic and Older building Redevelopment Assistance Grant Program Act, provides multiple definitions, including for applicant, application, commission, department, development, fund, grant, historic and older building, historic character, program, project, property owner, and redevelopment plan. It establishes the Historic and Older building Redevelopment Assistance Grant Program within the Department of Community and Economic Development and directs the department to administer the program with the purpose of issuing grants for the redevelopment, rehabilitation, or enhancement of historic and older buildings in the Commonwealth.

The bill outlines that applications are to be submitted to the department in a manner prescribed by the department, and shall include:

- A description of the project and how the grant would be used, including any private or public sector participation.
- A copy of the redevelopment plan.
- A statement of the ability to produce income once the project is complete and an explanation of how the project will contribute signification to economic and community redevelopment of adjacent communities.
- An explanation of how the project will provide for historic preservation or commercial or recreational opportunities for the public.
- If the project involves purchasing property, details on the intended use of the property and the timeline for redevelopment.
- The total cost of the project.
- A detailed explanation of how the applicant will maintain or improve the historic character of the property.
- A favorable statement of consideration or endorsement of the project form a local nonprofit economic or community development organization.
- A statement from the Historical and Museum Commission that the property is a historic and older building.
- Evidence from the developer or property owner to use the project upon completion.
- If applicable, how the redevelopment will increase accessibility for people with disabilities.
- Any other information required by the department.

Any applicant shall also prepare a redevelopment plan, which shall:

- Establish the project use as commercial, industrial, transportation or multifamily residential.

- Involve at least one of either mechanical improvements, electrical improvements, plumbing system improvements, fire protection system improvements, building egress or accessibility improvements, structural improvements.
- Designate the property and areas included in the redevelopment plan.
- Identify the economic impact on the improved area, surrounding community, and municipality.
- Identify any federal or state law applicable to historic building restoration and outline plans for compliance.
- Provide additional information as required by the department.

The Department shall review applications within 90 days of receipt, and approve or disapprove the application while considering:

- Whether the project proposed is authorized under this act.
- Whether the application complies with this act.
- Consistency of the project with the redevelopment plan.
- Additional historic preservation, commercial, or recreational opportunities provided by the project.
- Significant contribution by the project to the municipality's economic and community redevelopment.
- The level of public and private commitment to the project.
- Other criteria as required by the department.

The department may issue grant awards to approved applicants for:

- Providing for activities on the property consistent with the project's redevelopment plan.
- Providing for demolition of buildings that are not historic and older buildings.
- Providing for the acquisition of property.
- Providing for public infrastructure and public facility improvements.
- Providing for improvement or maintenance of the historical nature and traditional style of properties.

Grants shall be no less than \$50,000 and no more than \$500,000 or an amount equal to 30% of the total project cost, whichever is less, and projects must be completed no later than two years after the date of the grant.

This bill also creates the Historic and Older Building Redevelopment Fund as a nonlapsing fund within the state treasury which will be subject to an appropriation by the General Assembly. The department may accept alternative funding and both the department, and the commission may use no more than 3% of funds allocated for the program for administrative costs. Any money left in the fund that is unexpended, unencumbered, or uncommitted two years after the effective date of this legislation shall be transferred to the General Fund.

The department shall, in consultation with the commission, develop program guidelines as necessary and submit a report to the General Assembly on expenditures from the fund and progress of economic development, as well as the number and types of projects, number and amount of grants, the economic impact of the program, recommendations for the continuation or expansion of the program, and any other information required by the department.

This act shall take effect in 180 days.

FISCAL IMPACT:

This legislation would have an impact on Commonwealth funds dependent on the appropriation made by the General Assembly. The Department of Community and Economic Development believes enactment of this legislation will require 3 additional staff members. The department believes the proposed 3% administrative allowance on the proposed \$25 million appropriation would be a sufficient amount to effectively administer the program.

The Pennsylvania Historical and Museum Commission believes any fiscal impact would be offset by the 3% administrative fee.

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House Appropriations Committee (D)

DATE: April 14, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.