

Federal Tax Incentives for Rehabilitating Historic Buildings

Annual Report for Fiscal Year 2017



Federal Tax Incentives for Rehabilitating Historic Buildings

A Successful Federal/State Partnership Since 1976

The Federal Historic Preservation Tax Incentives Program, administered by the National Park Service in partnership with the State Historic Preservation Offices, is the nation's most effective program to promote historic preservation and community revitalization through historic rehabilitation. With over 43,000 completed projects since its enactment in 1976, the program has leveraged \$89.97 billion in private investment in the rehabilitation of historic properties—spurring the rehabilitation of historic structures of every period, size, style, and type in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Commonly known as the Historic Tax Credit, the program provides a 20-percent Federal tax credit to property owners who undertake a substantial rehabilitation of a historic building in a business or income-producing use, while maintaining its historic character. In a three-part application process, the National Park Service certifies that a building is historic, and therefore eligible for the program, and that its rehabilitation meets preservation standards.

The Historic Tax Credit is the largest Federal program specifically supporting historic preservation. It generates much needed jobs and economic activity, enhances property values in older communities, creates affordable housing, and augments revenue for Federal, state and local governments, leveraging many times its cost in private expenditures on historic preservation. This widely-recognized program has been instrumental in preserving the historic buildings and places that give our cities, towns, Main Streets, and rural areas their special character and has attracted new private investment to communities small and large throughout the nation.

Technical Preservation Services, National Park Service

March 2018

Houma Elementary School
(now Academy Place Apartments), Houma, LA

"We believe each project has its own opportunity to create a special living experience not found in the typical market for affordable or even market-rate housing. With its wonderful historic character and features, Academy Place provides such an experience, and is very much appreciated by the residents."

—Renaissance Neighborhood
Development Corporation (RNDC)



Photo: Michael Palumbo
Photography

FISCAL YEAR 2017 AT A GLANCE

1,652 Certifications of significance for rehabilitation (Part 1)

1,501 Preliminary certifications of rehabilitation (Part 2)

Estimated rehabilitation costs \$9.07 billion
Median project QRE.....\$973,306
Average project QRE.....\$6.04 million

1,035 Certifications of completed work (Part 3)

Estimated rehabilitation costs \$5.82 billion
Median project QRE..... \$1 million
Average project QRE..... \$5.63 million
Local jobs created 106,846
Rehabilitated housing units 7,096
New housing units 12,102
Low and moderate income housing units 6,803

QRE=Qualified rehabilitation expenditures

Over \$5.8 billion in private investment in historic preservation and community revitalization.

106,846 jobs created—jobs tend to be local, and more high skilled and higher paying than new construction.

Program activity remains high—16% increase in approved rehabilitation projects (Part 2) and 6% increase in certifications of significance (Part 1) over last year.

Projects both big and small—half of all completed projects (Part 3) were under \$1 million QRE and 20% were under \$250,000 QRE.

New National Register nominations—18% of projects involved properties not yet listed in the National Register of Historic Places.

Thirty-four states have state historic tax credits that can be used in tandem with the Federal historic tax credit.

FY 1977–FY 2017 PROGRAM ACCOMPLISHMENTS



\$89.97 billion

Estimated Rehabilitation Investment



2.54 million

Estimated Total Jobs Created



43,328

Historic Rehabilitation Projects Certified

278,270

Rehabilitated Housing Units

289,933

New Housing Units

160,058

Low- and Moderate-Income Housing Units

Source: Technical Preservation Services, National Park Service; jobs data, Center for Urban Policy Research, Edward J. Bloustein School of Planning and Public Policy, Rutgers, The State University of New Jersey



FISCAL YEAR 2017 SELECT PROJECTS



Allen Memorial Presbyterian Church
(now The Sanctuary Wedding and Event
Venue), Edna, TX
Photo: Caroline Wright, Texas
Historical Commission

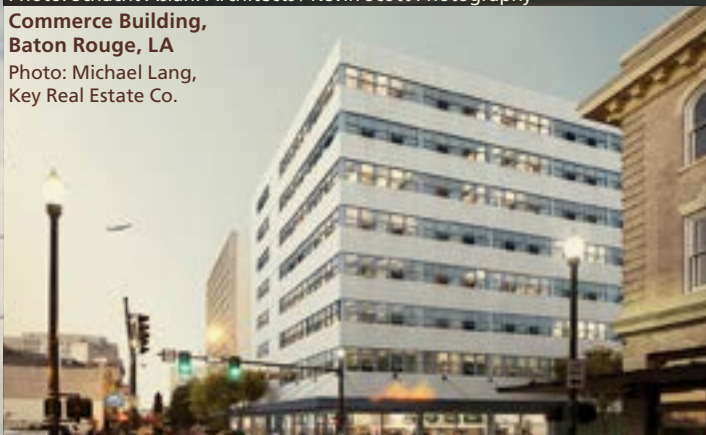


Building 202 at Fort Worden (now part of Peninsula College), Port Townsend, WA

Photo: Schacht Aslani Architects / Kevin Scott Photography

Commerce Building,
Baton Rouge, LA

Photo: Michael Lang,
Key Real Estate Co.



This is a tremendous
program that
allows small developers
to rehabilitate historic
buildings that might
otherwise be torn down.”

Baton Rouge, Louisiana



Old Federal Post Office & Courthouse
(now The Old Post Office), Ogden, UT

Photo: Peter Corroon

The Wesley Hotel
(now Summertime Hotel),
Oak Bluffs, MA

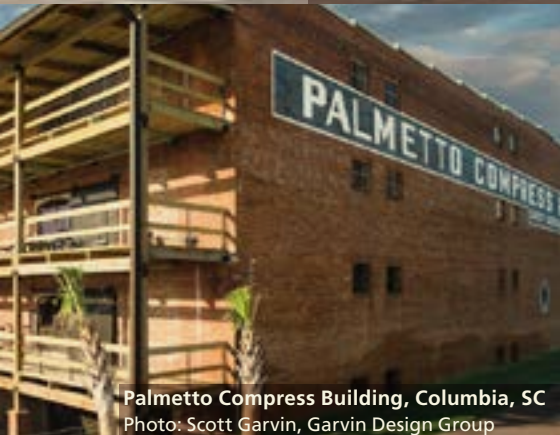
Photo: Doug Kelleher,
Epsilon Associates, Inc



Harding Apartments (now the
Waterside Hotel), Miami Beach, FL
Photo: Carolina Di Filippo,
South Beach Group Hotels



Owyhee Hotel, Boise, ID
Photo: Laure Joliet



Palmetto Compress Building, Columbia, SC
Photo: Scott Garvin, Garvin Design Group



Buffalo State Asylum for the Insane (now Hotel Henry at the Richardson Olmsted Campus), Buffalo, NY
Photo: Joe Cascio



The Moon Block (now the Willa Cather Foundation), Red Cloud, NE
Photo: ©Philip Daubman Photography and BVH Architecture



Rosenwald Courts Apartments, Chicago, IL
Photo: MacRostie Historic Advisors LLC



R. J. Reynolds Tobacco Company Building (now The Kimpton Cardinal Hotel and The Residences at the R. J. Reynolds Building), Winston-Salem, NC
Photo: Clear Sky Images

“I have used the credit program twice to save endangered historic buildings and can testify to how preserving a historic building can help revitalize a neighborhood.”
Tuscaloosa, Alabama



The Carson Block (now North Coast Indian Development Council), Eureka, CA
Photo: Page & Turnbull

Hedding Farmstead Barn, Bellevue, IA
Photo: NPS file





Hiram Sibley House, Rochester, NY
Photo: Tim Pierce

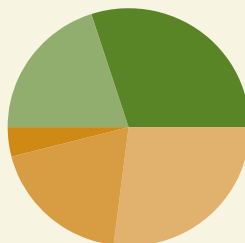
40TH The Federal Historic Preservation Tax Incentives Program

was created as a result of the Tax Reform Act of 1976, and the National Park Service certified the first project to be completed under the program in 1977. Fiscal Year 2017 marks the 40th anniversary of that first certified rehabilitation, the Hiram Sibley House in Rochester, New York.

For over 40 years, the program has spurred the rehabilitation of historic structures of every period, size, style, and type. Abandoned or underutilized schools, warehouses, factories, churches, barns, retail stores, apartments, hotels, houses, offices, theaters, and other types of buildings throughout the country have been given new life in a manner that maintains their historic character.

FY 2017 Size of Project

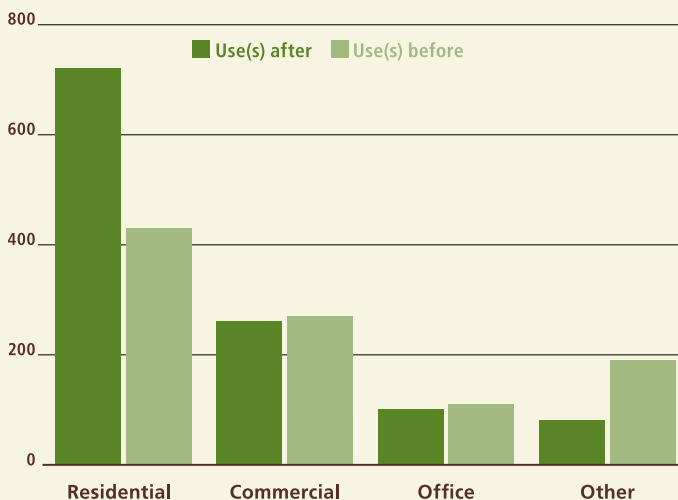
Projects both big and small—half of all certified projects were under \$1 million in qualified rehabilitation expenditures (QRE) and 20% were under \$250,000 in QRE.



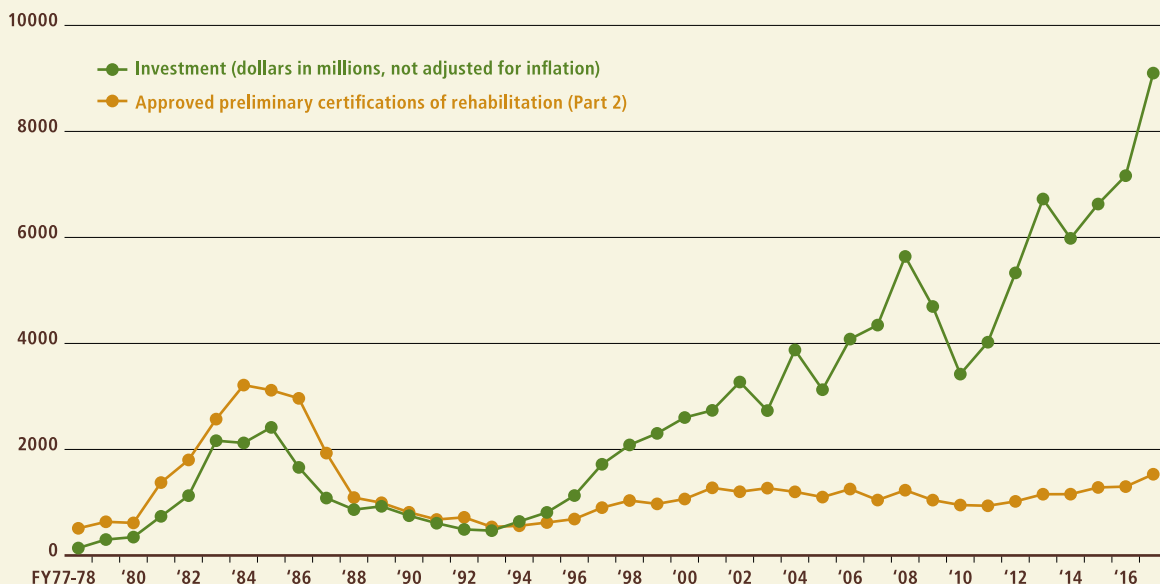
Under \$250,000 (20%)
\$250,000–\$999,999 (30%)
\$1,000,000 – 4,999,999 (27%)
\$5,000,000 – 24,999,999 (19%)
Over \$25,000,000 (4%)

FY 2017 Project Uses

Unusual building types in 2017 included: two asylums, a Civilian Conservation Corps camp, a winery, a log cabin, an armory and convention hall, a trolley barn, a 1930s service station, a cotton compress warehouse, an ice house, a WWII-era barracks, and several livery stables.



Federal Tax Incentives for Rehabilitating Historic Buildings FY 1977–FY 2017



FY 2017 STATE-BY-STATE PROJECT ACTIVITY

Estimated Qualified Rehabilitation Expenditures (QRE) and Five-Year Cumulative Totals

State	Applications Received			Applications Approved			Estimated QRE at Part 2	Estimated QRE at Project Completion (Part 3)	Cumulative Totals FY 2013–FY 2017	
	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3			Part 3	QRE
Alabama	20	10	12	25	10	11	\$44,850,000	\$40,078,902	39	\$124,060,524
Alaska	1	0	0	1	0	0	0	0	2	155,495
Arizona	2	1	2	1	1	2	350,000	17,365,024	13	70,458,719
Arkansas	20	32	21	23	32	16	51,834,333	6,774,638	80	88,421,223
California	6	15	7	6	13	8	218,060,235	76,904,701	43	921,731,822
Colorado	11	14	3	8	9	1	16,243,600	222,900	15	116,435,130
Connecticut	16	13	17	14	11	17	301,244,804	143,864,904	47	413,442,069
Delaware	7	6	3	4	5	3	136,655,025	13,513,316	14	49,388,755
District of Columbia	7	1	4	4	4	4	27,898,830	85,545,013	13	172,393,522
Florida	16	16	5	14	10	6	74,924,631	12,084,751	36	163,902,466
Georgia	82	66	38	99	78	31	117,189,037	44,883,105	121	180,670,322
Hawaii	1	2	1	0	1	1	1,000,000	955,539	2	1,447,480
Idaho	4	2	1	4	2	1	195,000	10,800,000	2	10,957,789
Illinois	42	35	17	41	29	17	810,269,996	378,027,251	76	1,770,833,403
Indiana	39	31	10	39	31	5	88,265,288	35,070,038	49	208,737,162
Iowa	41	28	40	38	21	45	108,858,345	242,903,453	149	629,941,943
Kansas	12	12	16	11	16	17	43,550,581	60,603,756	73	235,772,685
Kentucky	29	38	25	32	43	26	61,890,158	128,438,374	148	295,047,871
Louisiana	147	146	119	158	154	115	465,683,573	347,117,757	470	1,315,857,856
Maine	4	5	9	6	3	9	4,240,044	75,163,498	53	267,708,356
Maryland	50	47	40	49	49	42	211,036,171	76,810,051	174	623,464,491
Massachusetts	46	49	43	46	68	47	431,957,931	394,403,358	216	1,563,260,161
Michigan	40	31	27	41	29	29	247,132,611	158,712,989	104	775,984,829
Minnesota	17	12	13	17	12	19	61,949,712	324,479,161	62	1,122,969,500
Mississippi	48	47	6	45	30	6	51,720,450	1,576,075	62	81,976,572
Missouri	145	168	73	149	159	71	876,029,888	236,508,972	365	1,545,844,554
Montana	4	1	0	4	2	0	457,000	0	13	22,058,116
Nebraska	9	6	2	8	6	3	16,562,945	12,101,587	39	204,054,976
Nevada	1	0	0	0	0	0	0	0	1	1,148,850
New Hampshire	3	3	2	3	3	2	34,000,000	950,000	10	73,974,340
New Jersey	1	5	10	3	4	7	97,100,000	1,100,000	29	438,893,260
New Mexico	1	3	0	0	1	0	3,063,715	0	5	34,735,351
New York	139	128	69	131	135	73	891,546,411	1,023,731,216	299	2,936,551,317
North Carolina	74	67	45	82	50	38	142,942,458	77,605,588	206	693,460,851
North Dakota	1	1	1	1	5	0	32,635,171	0	2	14,859,644
Ohio	84	96	99	86	100	104	614,676,053	439,799,047	389	1,485,540,078
Oklahoma	16	14	6	18	13	6	191,550,359	42,560,717	55	325,556,549
Oregon	2	6	4	2	5	4	9,277,634	8,770,790	27	132,664,972
Pennsylvania	91	77	36	85	80	39	684,054,938	330,927,617	160	1,433,265,432
Puerto Rico	0	0	0	0	0	0	0	0	0	0
Rhode Island	7	9	5	8	11	6	101,591,784	35,179,224	56	340,678,830
South Carolina	37	31	17	36	30	14	232,674,346	143,321,699	41	256,539,586
South Dakota	4	6	2	4	3	1	2,650,000	1,300,000	8	11,468,274
Tennessee	27	22	11	21	8	12	48,121,458	34,249,316	48	114,341,113
Texas	54	49	17	54	49	13	679,944,528	162,077,178	38	446,925,063
Utah	5	7	6	5	6	8	34,180,170	13,675,223	14	32,125,087
Vermont	21	18	12	20	18	12	30,268,904	9,177,540	71	99,286,671
Virgin Islands	0	0	0	0	0	0	0	0	1	426,759
Virginia	146	96	100	157	95	104	234,658,363	342,305,771	442	1,365,559,617
Washington	5	9	9	4	7	9	94,435,781	48,431,417	28	222,198,021
West Virginia	12	9	6	12	8	6	25,115,000	20,266,074	23	44,136,402
Wisconsin	32	41	23	33	41	25	406,523,032	162,865,161	73	380,438,165
Wyoming	0	1	0	0	1	0	13,925,000	0	3	5,166,845
Total	1,629	1,532	1,034	1,652	1,501	1,035	\$9,074,985,293	\$5,823,202,692	4,509	\$23,866,918,869

Source: Technical Preservation Services, National Park Service

The Federal Historic Preservation Tax Incentives Program

is administered by the National Park Service in partnership with the State Historic Preservation Offices.

The **State Historic Preservation Offices (SHPOs)** are the first point of contact for property owners wishing to use the historic rehabilitation tax credit. The SHPOs can help determine whether a historic building is eligible for Federal or State tax credits, provide guidance before beginning a project, and advise on the application requirements and what constitutes appropriate preservation work. For the phone number or website of your SHPO, contact the National Conference of State Historic Preservation Officers at (202) 624-5465 or visit their website at www.ncshpo.org.

The **Technical Preservation Services (TPS)** office administers the tax incentives program on behalf of the National Park Service. Information about the program and application requirements, as well as technical guidance and publications on preserving and rehabilitating historic buildings, is available from TPS at (202) 513-7270 or www.nps.gov/tps.

Houma Elementary School

(now Academy Place Apartments), Houma, Louisiana

Constructed in 1931, the former Houma Elementary School last welcomed students in 1970, and then housed school district administrative offices until 2014. School officials conveyed the vacant building to the Terrebonne Parish Consolidated Government, which issued an RFP for redevelopment of the property. Renaissance Neighborhood Development Corporation (RNDC) was selected to rehabilitate the property into much-needed mixed-income housing for seniors. The New Orleans-based RNDC is a non-profit affordable housing developer and a collaboration between Volunteers of America National Services and Volunteers of America, Southeast Louisiana.

RNDC's \$20-million, 103-unit rehabilitation project included converting the school into 47 apartments, with an additional 56 apartments in a compatible new building constructed at the rear of the property. This mixed-income senior community includes both market-rate and low-income apartments, with some units earmarked for very low income residents in need of permanent supportive housing. The project was funded by a combination of Federal and State Historic Tax Credits, Low-Income Housing Tax Credits (LIHTC), Terrebonne Council on Aging funding, and private bank loans. The project is also Enterprise Green Communities-certified.

The rehabilitation of the building—renamed Academy Place—was completed in June 2017. As part of the project, the original nine-over-two wood windows were repaired, and the 11-foot-high ceilings, transoms, wood floors, wainscot and trim were all retained in the corridors, stairwells, and former classrooms, now converted into apartments. Mature live oak trees remain and highlight the site's new landscaping, and the school provides attractive apartments in a walkable, mixed-use neighborhood adjacent to downtown Houma.

Several former teachers and students have come back to live in their old school. The building is now individually listed in the National Register of Historic Places and has been returned once again to active use in the Houma community.

Photos: Front and back cover, Michael Palumbo Photography

