

# 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



**Building 202 at Fort Worden (now part of Peninsula College), Port Townsend, WA**  
 Photo: Schacht Aslani Architects / Kevin Scott Photography



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



**Commerce Building, Baton Rouge, LA**  
 Photo: Michael Lang, Key Real Estate Co.



**Old Federal Post Office & Courthouse (now The Old Post Office), Ogden, UT**  
 Photo: Peter Corroon

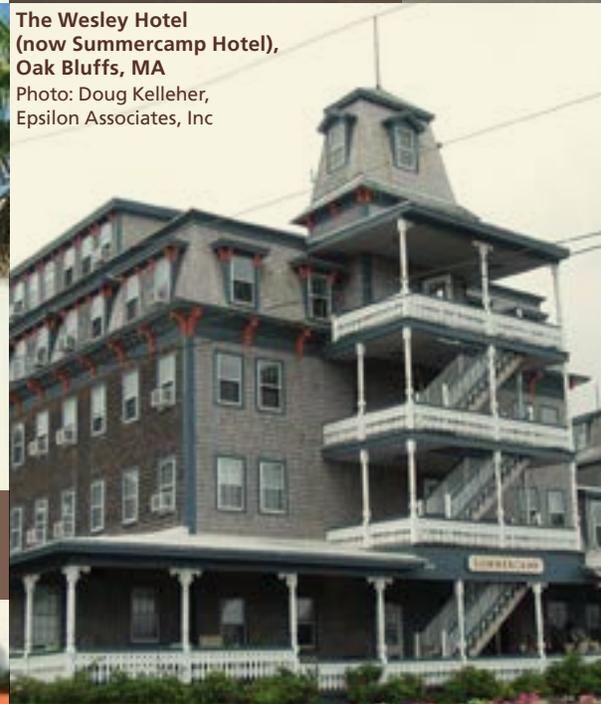
“**T**his is a tremendous program that allows small developers to rehabilitate historic buildings that might otherwise be torn down.”  
 Baton Rouge, Louisiana



**Old Federal Post Office & Courthouse (now The Old Post Office), Ogden, UT**  
 Photo: Peter Corroon



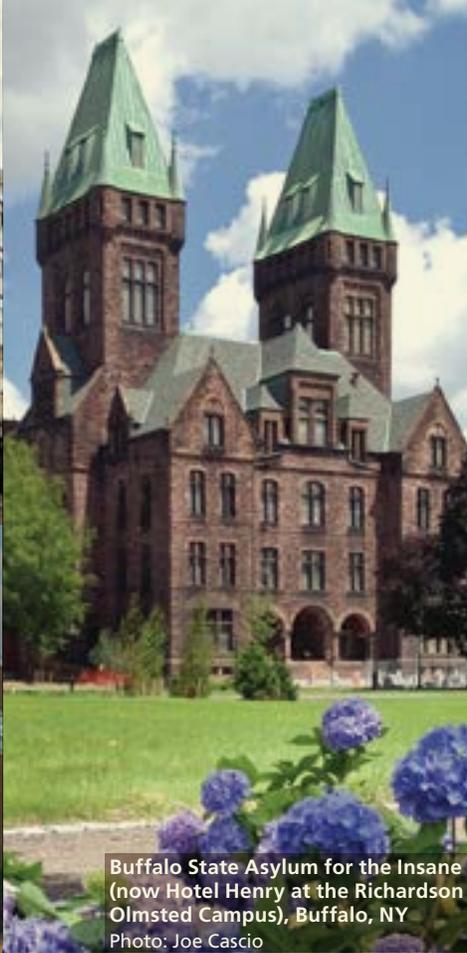
**Hardings Apartments (now the Waterside Hotel), Miami Beach, FL**  
 Photo: Carolina Di Filippo, South Beach Group Hotels



**The Wesley Hotel (now Summercamp Hotel), Oak Bluffs, MA**  
 Photo: Doug Kelleher, Epsilon Associates, Inc



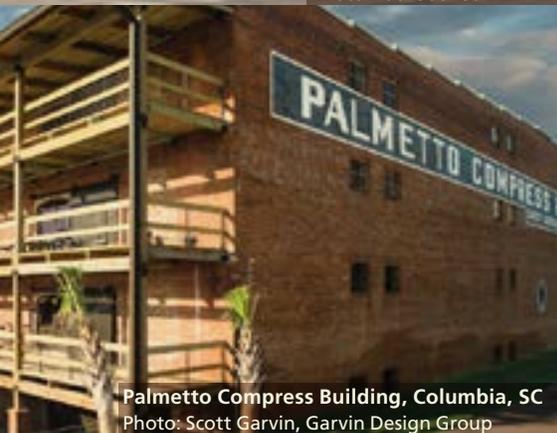
Owyhee Hotel, Boise, ID  
Photo: Laure Joliet



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



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

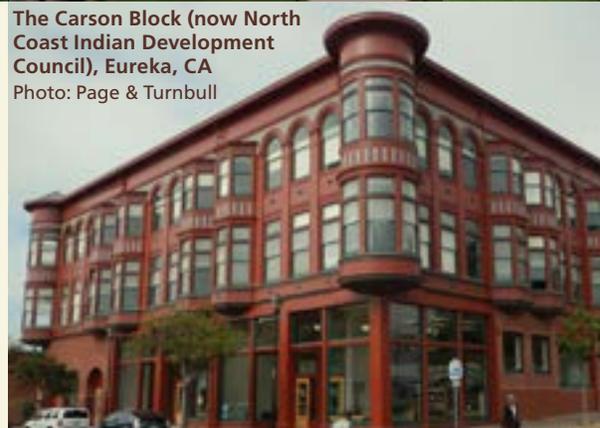


Rosenwald Courts Apartments, Chicago, IL  
Photo: MacRostie Historic Advisors LLC

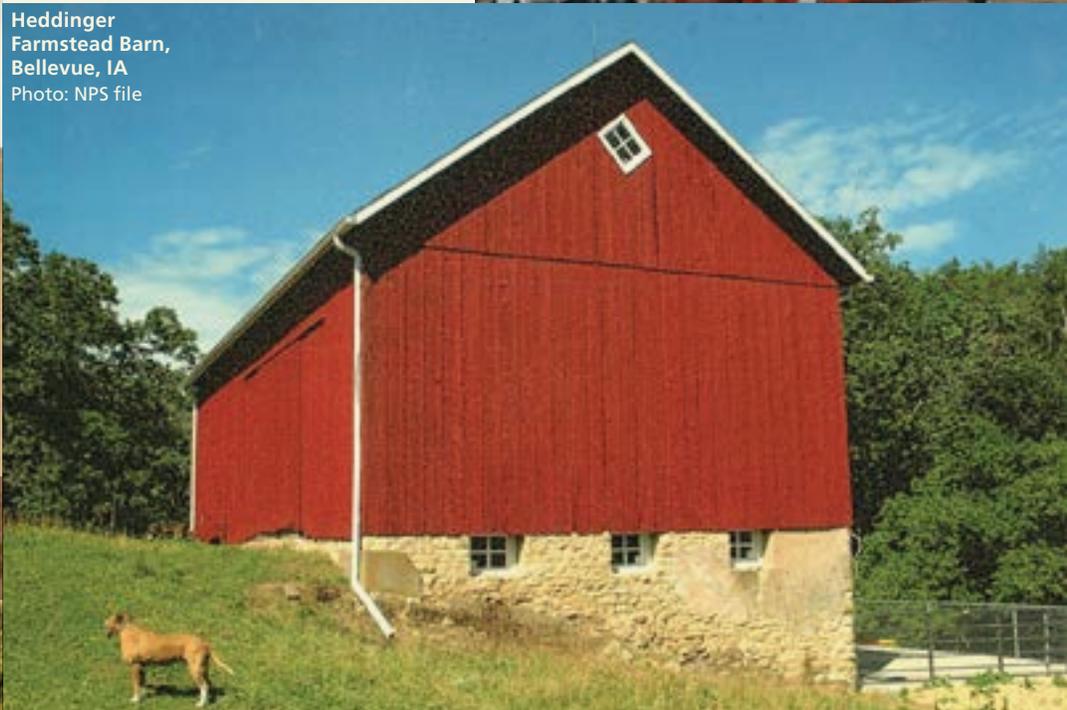


R. J. Reynolds Tobacco Company Building  
(now The Kimpton Cardinal Hotel and The  
Residences at the R. J. Reynolds Building),  
Winston-Salem, NC  
Photo: Clear Sky Images

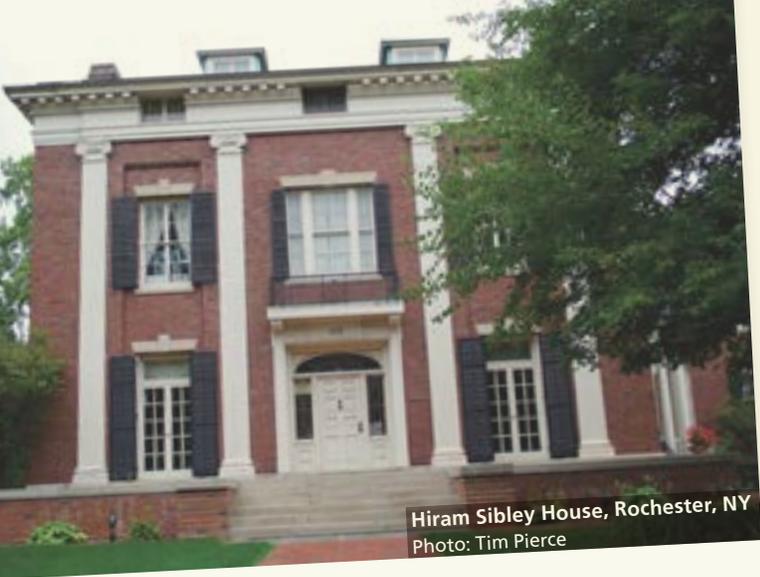
**I** have used the credit program twice to save endangered historic buildings and can testify to how preserving a historic building can help revitalize a neighborhood.”  
Tuscaloosa, Alabama



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

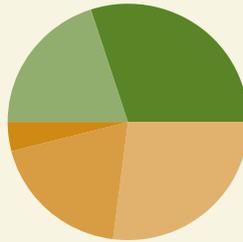
# 40<sup>TH</sup> The Federal Historic Preservation Tax Incentives Program

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 40<sup>th</sup> 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

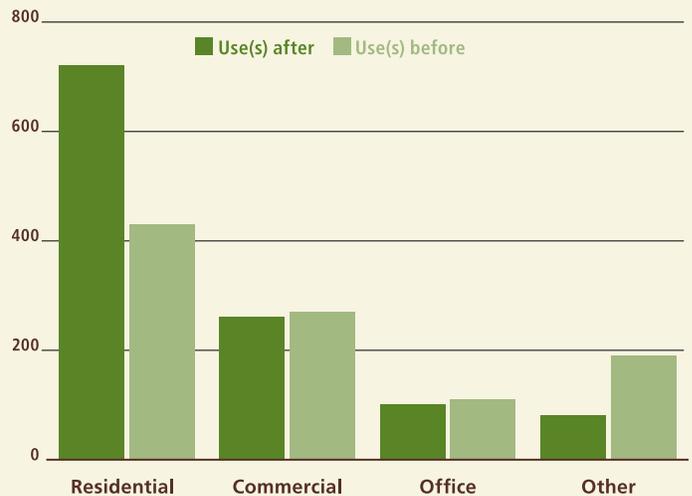
Projects both big and small—half of all certified projects were under \$1 million in qualified rehabilitation expenditures (QRE) and 20% were under \$250,000 in QRE.



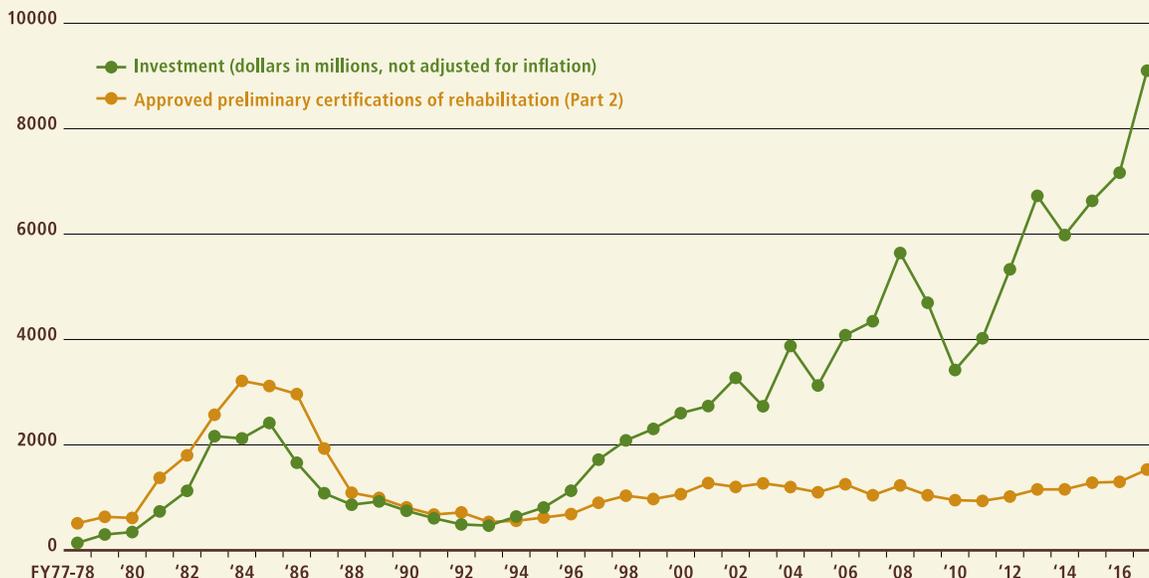
Under \$250,000 (20%)  
 \$250,000–999,999 (30%)  
 \$1,000,000 – 4,999,999 (27%)  
 \$5,000,000 – 24,999,999 (19%)  
 Over \$25,000,000 (4%)

## 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               |
| <b>Total</b>         | <b>1,629</b>          | <b>1,532</b> | <b>1,034</b> | <b>1,652</b>          | <b>1,501</b> | <b>1,035</b> | <b>\$9,074,985,293</b>  | <b>\$5,823,202,692</b>                       | <b>4,509</b>                      | <b>\$23,866,918,869</b> |

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](http://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](http://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

