



National Trust *for* Historic Preservation

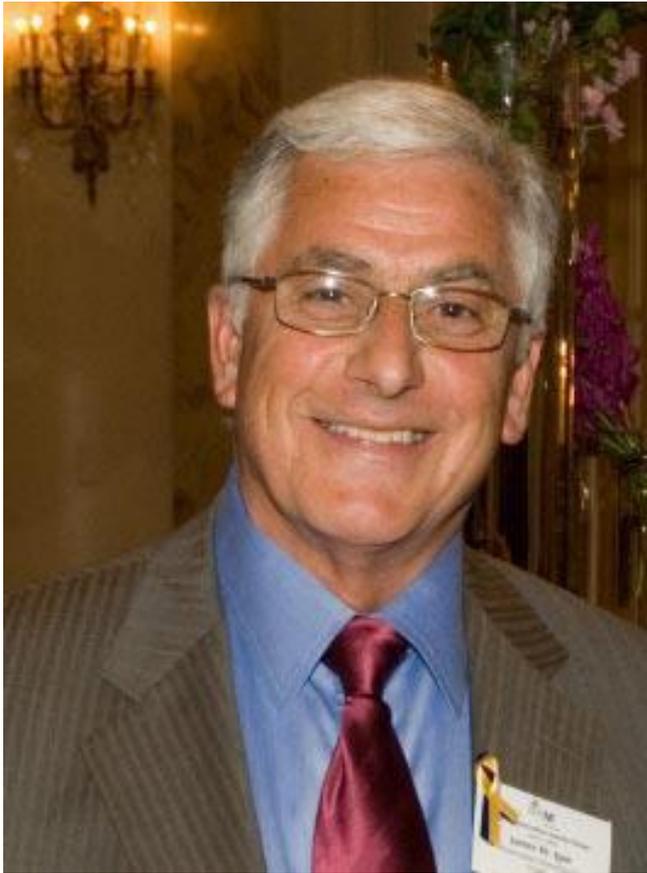
**Preservation
Leadership Forum**

WEBINAR

Coronavirus Response: The Historic Tax Credit as An Economic Recovery Tool

APRIL 24, 2020

TOGETHER WE ARE FORUM



Jim Igoe
Executive Director,
Preservation Massachusetts



Brian Goeken, AICP

Chief, Technical Preservation Services
National Park Service

Update on NPS HTC-related Operations in Response to Covid-19

- The NPS remains committed to ensuring that the Federal HTC program continues to operate as close to normal as possible during this period.
- Modifications to our operations are part of implementing the latest guidance from the White House, Centers for Disease Control & Prevention, and local/state authorities to promote social distancing.
- The NPS continues to closely monitor the situation to ensure the safety of the public and employees.

Update on NPS HTC-related Operations in Response to Covid-19

- NPS Technical Preservation Services (TPS) office remains open, with TPS staff primarily teleworking from home at this time.
- TPS review of 'hard-copy' tax incentive applications continues as normal, including Part 1s and appeals.
- Mail continues to be received and sent out by TPS, and staff remains reachable by email and phone.
- Review of National Register nominations continues on an electronic-only submission process.

Temporary changes to **NPS review process** during this period:

- Upon completion of TPS review, a “notice of decision” will be issued to the applicant electronically—either an email or a scanned PDF of the signed application cover sheet.
- A copy of the official signed application will be mailed to you as soon as possible thereafter, but there may be up to a 1-to-2-week delay from the time you receive the electronic notice.
- TPS staff may not have immediate access to project files during this period.

Temporary changes to **SHPO** review process during this period:

- SHPO offices remain open and review of Federal and State tax incentive applications continues.
- Contact your SHPO with questions concerning their specific operations before submitting applications.
- Some SHPOs do not have access to office/mail and are **temporarily** reviewing applications electronically:
 - AZ, CT, DC, IL, KS, MN, MS, ND, NJ, OH, UT, WA
- At the conclusion of SHPO review, the applicant will be notified to submit the hard-copy application and supporting information to the NPS directly.

Future NPS HTC-related operations:

- Allow use of electronic signatures to sign tax incentive applications (next week?).
- NPS continues to operate a 'hard-copy' application review. Electronic submissions are not accepted.
- NPS has a 'Plan B' in place should we also need to implement a temporary electronic submission process (implemented only if necessary).
- NPS will be permanently implementing an electronic application submission and review process (phased in, over the next 1-2 years).

Update on NPS HTC-related Operations in Response to Covid-19

For the most up-to-date information, go to TPS website at nps.gov/tps:

- Subscribe to TPS email list
- Check Covid-19 webpage for updated information on TPS current operations

Technical Preservation Services

National Park Service
U.S. Department of the Interior

About The Standards Tax Incentives How To Preserve Sustainability Historic Surplus Property Education & Training Hot Topics

Preserving our nation's historic buildings.

Technical Preservation Services develops historic preservation standards and guidance on preserving and rehabilitating historic buildings, administers the Federal Historic Preservation Tax Incentives Program for rehabilitating historic buildings, and sets the Secretary of the Interior's Standards for the Treatment of Historic Properties.

Search TPS... GO

Latest News

TPS modifies operations in response to COVID-19 April 12, 2020 update . . .

New Guidelines on Flood Adaptation for Rehabilitating Historic Buildings published

Keep in touch with TPS Sign up for news updates!

Independent Movies Now Showing at a Former Brass Foundry



Ramona M. Bartos

Deputy State Historic Preservation Officer
North Carolina Department of Natural and
Cultural Resources



Tim Simmons

Senior Preservation Architect and Federal
Rehabilitation Tax Credit Coordinator
North Carolina Department of Natural
and Cultural Resources

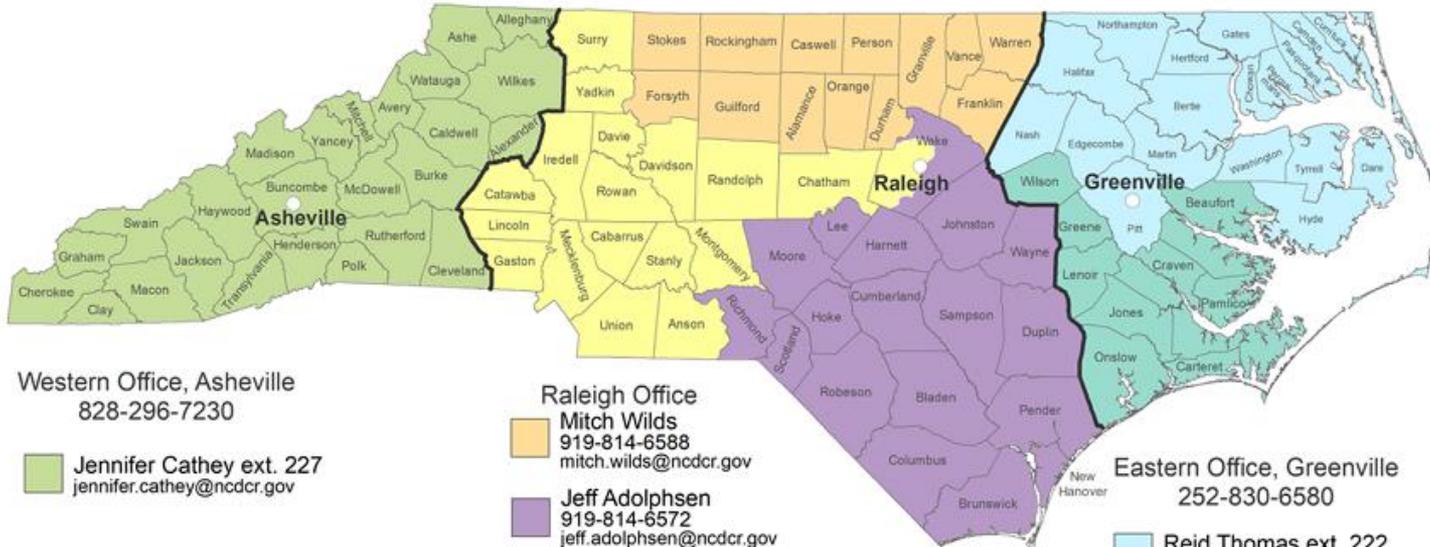
Restoration Branch -- Office Locations and County Assignments

Statewide for rehabilitation tax credits:

Income-producing: Tim Simmons 919-814-6585 tim.simmons@ncdcr.gov

Nonincome-producing: David Christenbury 919-814-6574 david.christenbury@ncdcr.gov

www.hpo.ncdcr.gov/rebranch.htm



Western Office, Asheville
828-296-7230

 Jennifer Cathey ext. 227
jennifer.cathey@ncdcr.gov

Raleigh Office

 Mitch Wilds
919-814-6588
mitch.wilds@ncdcr.gov

 Jeff Adolphsen
919-814-6572
jeff.adolphsen@ncdcr.gov

 Brett Sturm
919-814-6589
brett.sturm@ncdcr.gov

 Wake County:
Click on Wake County on the above
state map to see enlarged staff assignment
maps for Wake County and Raleigh

Eastern Office, Greenville
252-830-6580

 Reid Thomas ext. 222
reid.thomas@ncdcr.gov

 John Wood ext. 225
john.p.wood@ncdcr.gov

10/16/2018

2020 NC Report

2020 NORTH CAROLINA

A View of Historic Preservation Across the State



NORTH CAROLINA
DEPARTMENT OF
NATURAL &
CULTURAL
RESOURCES



Historic Preservation in North Carolina: Outreach, Impact, and Value

How we help North Carolina

Authorized by the National Historic Preservation Act of 1966 ("Act"), the North Carolina State Historic Preservation Office (HPO) is the official state agency for historic preservation in North Carolina. We work in cooperation with the National Park Service and multitudes of private and public partners to accomplish the Act's purposes as well as state statutory mandates.

Our mission To help the state's citizens, private organizations, and public agencies identify, protect, and enhance North Carolina's historic resources and communities through a coordinated program of incentives and technical assistance for today and future generations.

Identify The HPO identifies historic places through a comprehensive architecture survey program. Since 1966, over 115,000 historic buildings, neighborhoods, and sites have been identified in North Carolina. They represent over 3,000 listings in the National Register of Historic Places (including more than 80,000 "contributing" resources in over 560 historic districts and over 2,400 individual listings), the nation's official list of buildings, structures, objects, sites, and districts worthy of preservation for their significance in American history, architecture, archaeology, and culture. The National Register program plays a vital role in the state's economic development as eligibility for state and federal historic rehabilitation tax credits is limited to listed properties.

Enhance The HPO administers the federal and state historic rehabilitation tax credit programs, redevelopment and reuse incentives that since 1976 have brought \$3.043 billion of private investment into North Carolina communities, boosting local economies and creating construction phase and post-construction permanent jobs while preserving our state's priceless historic character. Historic rehabilitation projects have taken place in 90 of North Carolina's 100 counties.

Photo to R: (1) Millie Lester Abell, circa 1875, Asheville Building, a historic rehabilitation tax credit project, representing \$1.5 million in private investment; (2) Traditional building restoration workshop in Edenton, funded by a Historic CDE grant; (3) Leno-Taylor House, circa 1870, State-owned. Photo Courtesy: NC, individually listed in the National Register of Historic Places.

North Carolina was #4 in the US in total private investment cost of \$381.2M for completed, certified historic tax credit projects during the FY 2019 period.
(Source: NPS Annual Report of the Federal Tax Incentives)

HISTORIC PRESERVATION TAX CREDITS: Making a Difference in North Carolina

Historic preservation in NC provides jobs, bolsters the tax base, and utilizes existing buildings and infrastructure while preserving the state's priceless historic character.

Rehabilitation of North Carolina's historic buildings increased dramatically following the 1998 expansion of the state tax credit for historic structure rehabilitation. Since 1998, under the new state credits that also enhanced the existing federal credit, 3,263 rehabilitation projects of income-producing and non-income-producing properties with a total estimated cost expended by private investors of \$2.761 billion have been completed. From the inception of the federal program in 1976 through 1997, 670 projects were completed with \$282.24 million in rehabilitation costs.

Since 1976, rehabilitation tax credits have encouraged \$3.043 billion of private investment in North Carolina's historic buildings.

North Carolina has been one of 35 states (of 43 with a state income tax) that offers the "open to all" incentive of a state piggyback historic tax credit in addition to the federal credit. North Carolina was #4 in the nation in total private investment cost of \$381.2 million for completed historic rehabilitation tax credit projects during federal fiscal year 2019. (National Park Service, FY 2019 Annual Report of the Federal Tax Incentives for Rehabilitating Historic Buildings.)

From 1978 to 2018 nationwide, \$162.0 billion in historic tax credit related rehabilitation investment (adjusted for inflation) created 2,677 million jobs and \$176.2 billion in GDP, 30% in the construction sector. (National Park Service, Annual Report on the Economic Impact of the Federal Historic Tax Credit for FY 2018.) Likewise, the federal tax credits remained a strong catalyst for job creation and economic growth in older communities.

Reuse of North Carolina's existing structures supports both historic preservation and environmental sustainability principles and makes good economic sense.

In addition to the powerful economic benefits of historic preservation, the historic rehabilitation tax credits encourage the reuse of existing buildings, reducing the need to expand public services and infrastructure and thereby saving taxpayers' dollars. Historic structures such as schools, textile mills, and tobacco warehouses continue to be reclaimed for housing, retail, and office uses.

The federal and North Carolina rehabilitation tax credits help citizens preserve and care for their communities. With the aid of the historic tax credits, historic preservation serves to return a sense of pride and optimism to communities large and small, rural and urban across the state.



NORTH CAROLINA
DEPARTMENT OF
NATURAL &
CULTURAL
RESOURCES

Entire neighborhoods, towns, and cities benefit from these incentives. Historic rehabilitation projects have occurred in 90 of North Carolina's 100 counties.

December 31, 2019
www.hpo.ncdcr.gov

SHPO Operating Status

	A	B	C	D	E	F	G	H	I
1	SHPO Operating Status Reports, April 21, 2020 2:00 PM ET								
2	Please select your State/Territory	Full Name of Your Office/Agency	Operating Status for Section 106 Consultation and Review	Is there a hyperlink you would like to provide where agencies can go for more information?	Who should a federal agency contact for more information?	Email	Phone	Any additional information you would like to need to provide?	Please provide the date for which this information is being submitted.
3	Alabama	Alabama Historical Commission	We are operating with a limited staff in our main office, but we are teleworking as we can and have staggered work hours to comply with social distancing guidelines.	https://ahc.alabama.gov/section106.aspx	Lee Anne Wofford	leeanne.wofford@ahc.alabama.gov	334.230.2659	We do accept digital submissions for Section 106 projects. That process is explained on our agency's website. https://ahc.alabama.gov/section106.aspx	03/19/2020
4	Alaska	Office of History and Archaeology Division of Parks and Outdoor Recreation Department of Natural Resources	The Alaska SHPO has entered tolling for Section 106 project reviews in response to COVID-19. Most staff are working from home.	http://dnr.alaska.gov/parks/ohah/shpo/sec106.htm	Judith Bittner	judy.bittner@alaska.gov	907 269-8715		03/23/2020
5	American Samoa	American Samoa Historic Preservation Office	Available by email and phone only.	ashpo.org	Tish Peau	tishpeau@gmail.com	6842561328		03/20/2020
6	Arizona	Arizona State Historic Preservation Office/ Arizona State Parks and Trails	SHPO staff on largely on telework status. AZ SHPO is asking for all Section 106 consultation packages to be sent via email and submitted to azshpo@azstateparks.gov	https://azstateparks.com/shpo	Mary Ellen Walsh	mwalsh@azstateparks.gov	602-542-4009	If submittals contain large reports and plans for review, please include a link to a drop box where these documents can be retrieved.	03/19/2020
7	Arkansas	Arkansas Historic Preservation Program	We are fully operational.	https://www.arkansaspreservation.com/	Eric Mills	eric.mills@arkansas.gov	501-324-3784		03/19/2020
8	California	California Office of Historic Preservation History Colorado, Office	Conducting review s/consultations as usual within normal timeframes	http://ohp.parks.ca.gov/	Julianne Polanco	julianne.polanco@parks.ca.gov	916 445-7000	We are working with agencies on how they	04/01/2020

<https://ncshpo.org/>



Merrill Hoopengardner

President

National Trust Community Investment Corporation



Coronavirus Pandemic: Impacts on HTC Projects and Overcoming Obstacles

NTCIC Supporting HTCs Since 2000

189 NTCIC Investments Since Inception



70

*Historic Tax Credit
Only Investments*

\$3.2B

*Total Historic
Rehabilitation Costs*

\$624MM

*Total Historic
Credits*



88

*NMTC & Twinned Tax
Credit Investments*

\$2.6B

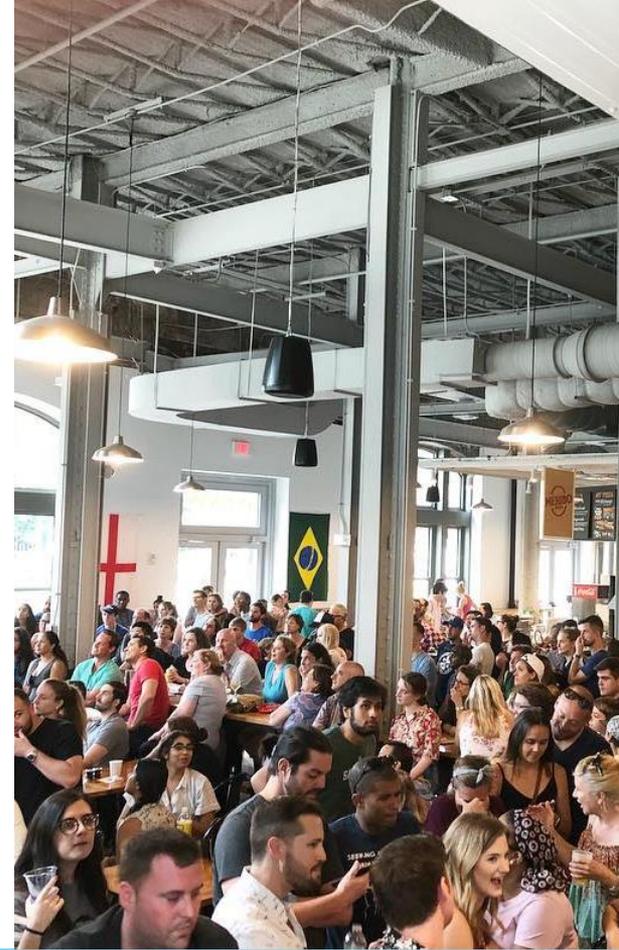
*Total Development
Costs*

\$553MM

*NMTC
Allocation*

Project Impacts

- Coronavirus effects felt across all stages of HTC project lifecycle
- Impacts vary across asset classes
 - Hospitality
 - Commercial: retail & restaurants
 - Office
 - Residential
 - Service providers
- Innovative responses



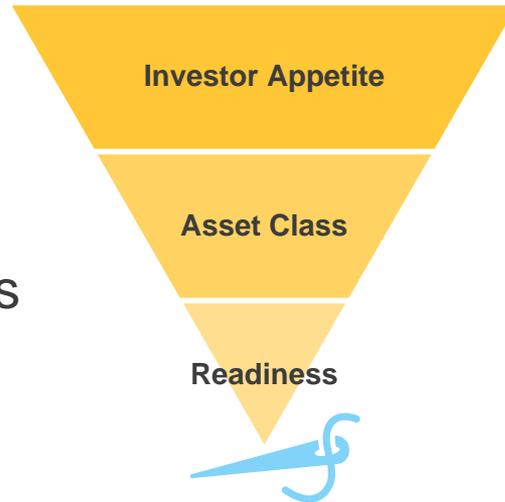
Construction Obstacles

- Full or partial bans on construction
- Physical distancing: interior vs. exterior
- Health & safety/sanitary considerations
- Lack of materials, supply chain weakness
- Regulatory challenges
 - Building permits
 - Title recordation
 - SHPO/NPS reviews



Investment Challenges

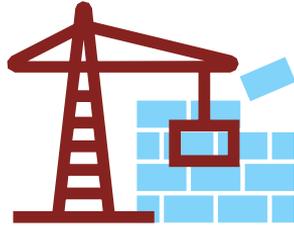
- Potential projects severely delayed and challenged in accessing capital due to investment risk
- Capital sources
- Viable tenants
- Regulatory concerns
 - Local
 - State
 - Federal



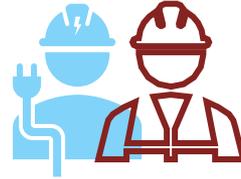
Why the Historic Tax Credit?



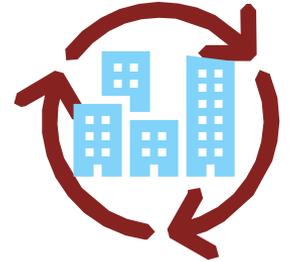
Adaptive reuse repurposes dormant community assets, leveraging cultural heritage and attracting private capital



75% of the economic benefits of HTC projects generate local benefits: materials and wages



Historic building rehabilitations are more labor intensive than new construction: higher skilled workers + higher wages



Restoring underutilized buildings sets the stage for additional community investment and catalyzes more revitalization projects

Historic Tax Credit = Economic Recovery

- 44,000 historic buildings rehabbed
- Created over 2.7 million new jobs
- Attracts \$4 in private capital for every \$1 in public
- Successful tool for economic recovery
 - GO-ZONE Hurricane Katrina legislation in 2005
 - Midwest flood relief in 2008





Patrick Robertson

Principal
Confluence



Steve Stombres

Partner
Harbinger Strategies

Recent Federal Actions Addressing the COVID-19 Pandemic



- Early March – \$8.5 billion in preparatory funds
- March 18 – \$100 billion for health care, testing, Medicaid, and unemployment (Families First Coronavirus Recovery Act)
- End of March – \$2.2 trillion for business support, unemployment insurance, more health care funding, checks directly to Americans, payroll tax credit, airline funding ([CARES Act](#))
- This week – \$484 billion to replenish the small business program, add. funds for testing and health care, & support for disaster programs. No changes to underlying rules

What's Next?

- In debating the refill of the Paycheck Protection Program (PPP), Democrats pushed for billions in funding for states, more direct aid, and other priorities
- All of the actions to date have been about preparing for the virus and stabilizing the economy
- The next step is expected to be continued stabilization and then stimulus



What Could Be in a Stimulus Package?

- Further bailout money – more PPP money, further unemployment insurance, more medical care, direct money for states and perhaps nonprofits
- Infrastructure spending – highways, airports, ports, and related programs
- New tax policy or tax relief – payroll tax, new credits, rule changes to stimulate economic growth



What Are We Looking For?

- Inclusion of HTC-GO ([S. 2615](#)/ [H.R. 2825](#))
 - Incentives for small deals, easier for nonprofits to sponsor deals, eliminate basis adjustment, make more buildings eligible
- Create a temporary 30% credit for QREs in 2020-2024
 - Stepping down to 26% in 2025 and 23% in 2026 before returning to 20% in 2027 to stimulate activity
- Ask for parity if other credits are allowed to be offset against prior years' taxes
- Change IRS rules so that projects in progress are not stopped from using the credit because of the economic shutdown
- Support the preservation community's appropriations ask for the Historic Preservation Fund and other priorities



Shaw Sprague

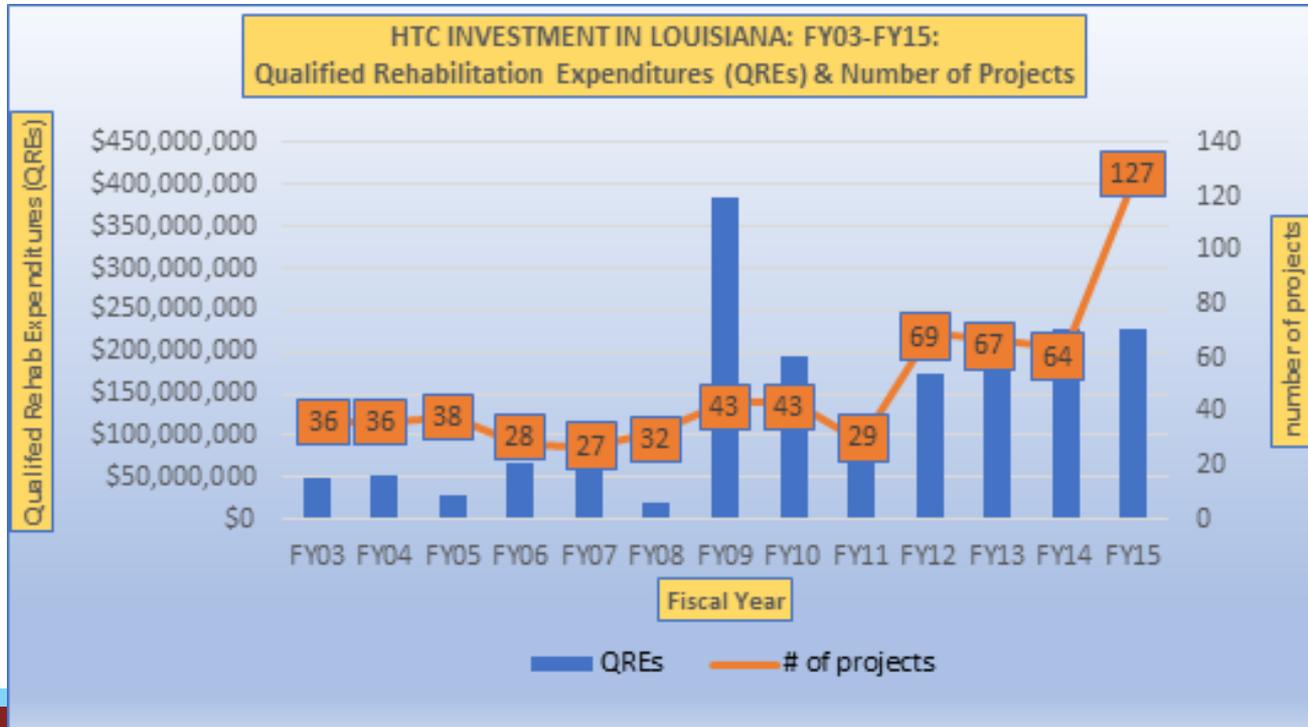
Senior Director of Government Relations
National Trust for Historic Preservation

Historic Tax Credit Advocacy in the Stimulus Era

- **Key Message:** *historic rehabilitation incentives stimulate economic activity*
- **Provide Examples:** *in past stimulus packages, use of an enhanced HTC yielded positive results*
- **Strategy:** *work within existing approaches to help ensure HTC inclusion in subsequent relief packages*



Rehabilitation Activity in Louisiana after the HTC was Temporarily Increased



HTC Advocacy Resources

The screenshot shows the website for the National Trust for Historic Preservation Preservation Leadership Forum. The header includes the logo and navigation links: "Learn", "Connect", "Build", and "Act". The main content area features a section titled "Advocacy Resource Center" with a paragraph explaining its purpose. To the right, there is a blue box for "Advocate for Preservation" with a "LEARN MORE" button. Below these are two summary boxes: "Summary of the CARES Act and Upcoming Webinar" and "The Great American Outdoors Act".

National Trust for Historic Preservation
Preservation Leadership Forum

Learn ▾ Connect ▾ Build ▾ Act ▾

SavingPlaces.org About Join/Renew Q SIGN IN

Advocacy Resource Center

At any given moment, preservationists need to serve as advocates for a variety of issues. These resources—from tools to talking points—can equip preservation leaders to make a strong case both on the Hill and at home. The broad range of available resources addresses a variety of national- and local-level issues.

Advocate for Preservation

Sign up for our monthly newsletter and learn about the latest ways you can support historic preservation, including supporting America's National Treasures.

LEARN MORE

Summary of the CARES Act and Upcoming Webinar

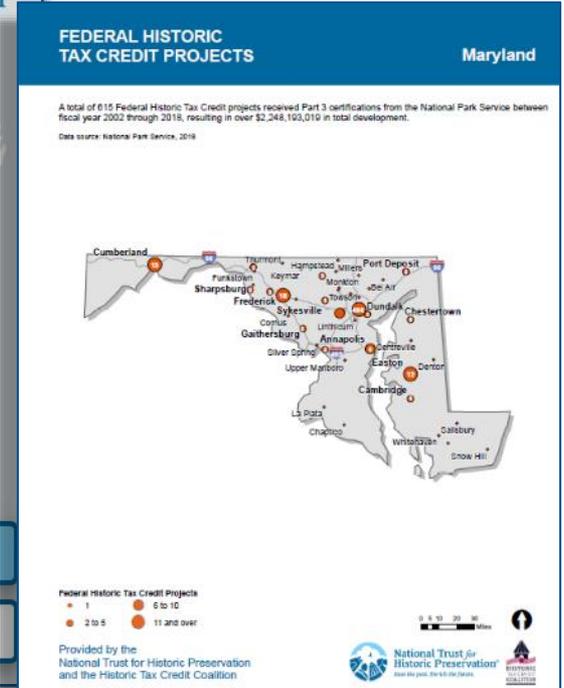
On Friday March 27 the U.S. House of Representatives passed the Coronavirus Aid, Relief, and Economic Security Act by voice vote (it passed the Senate on March 25). The National Trust Government Relations team and others have pulled together a summary of the act and its implications for historic preservation. Read the story and then register for the Preservation Leadership Forum webinar on this legislation and future advocacy on April 2, 2020 at

The Great American Outdoors Act

This week the Senate introduced the Great American Outdoors Act. If enacted, this legislation would be the single largest federal investment in preservation of historic and cultural resources for public lands in our generation, and it would provide the support necessary to ensure America's historic places are saved for generations to come. This historic legislation combines two important bills: one supporting dedicated funding for deferred maintenance of the National

- Check out the [Advocacy Resource Center](#) on Preservation Leadership Forum

Updated HTC Maps and Project Lists





**The American
Institute
of Architects**



Boost the Federal Historic Tax Credit to Spur Economic Recovery

The Historic Tax Credit (HTC) is a proven tax incentive for both revitalizing historic community assets and supporting economic development and recovery. Unfortunately, the historic rehabilitation community, like so many others, has experienced slowing, stopping, and in some cases, devastating results because of the necessary COVID-19 countermeasures. Historic rehabilitation projects face a ban on construction, limited work site attendance, a lack of materials, limited access to government and other regulatory partners, and other challenges associated with the near shuttering of the domestic economy. At the same time existing projects face limited to no construction activity, new and potential projects face profound financial viability concerns. Limited access to capital, greater investment risk, and an uncertain tenant market will cause significant harm to the future pipeline of HTC projects without federal intervention.

As a result of the foregoing, we are asking for improvements to the HTC and a temporary boost in the amount of credit available for historic rehabilitation projects to ensure their timely completion and allow new HTC projects to help put more Americans back to work quickly and bolster our nation's economic recovery.

How can the HTC help spur Economic Recovery?

By breathing new life into vacant or under-utilized historic properties such as schools, warehouses, factories, commercial buildings and more, the federal HTCs bring hope and stability to neighborhoods, setting the stage for additional investment. When the private sector rehabilitates abuilding utilizing the historic tax credit, data shows that there is a catalytic effect, driving development nearby.

Seventy-five percent of the economic benefits of these projects stay on the ground, in state and local economies. Developers of HTC projects generally buy materials close to the project site and hire local, skilled workers. Moreover, because historic building rehabilitations are more labor intensive than new construction, they often require additional workers at higher wages.

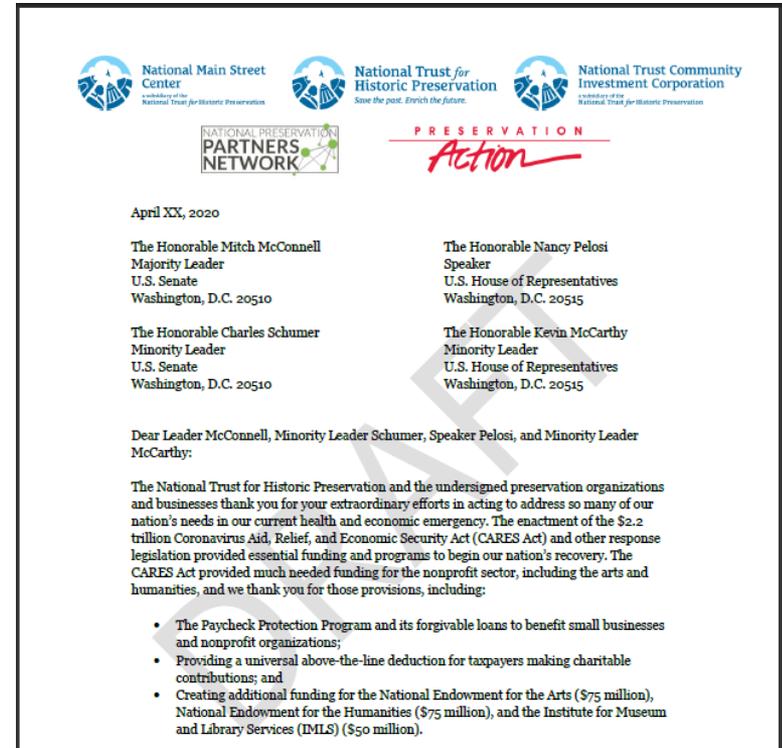
What changes to the HTC are needed to spur Economic Recovery?

- Enact the Historic Tax Credit Growth and Opportunity Act (HTC-GO), H.R. 2825/S. 2645
HTC-GO provisions would make small projects easier, better allow the credit to be paired with the Low Income Housing Tax Credit and Opportunity Zones, restore value to the credit, and make projects like community health centers, cultural facilities, and homeless services more cost effective to finance. These provisions would not only make the credit easier to use and more historic properties eligible, but they would also enhance the value of Historic Tax Credits, bringing more investment capital into projects that will use it directly for economic activity. (Please see attached fact sheet on HTC-GO for additional materials).

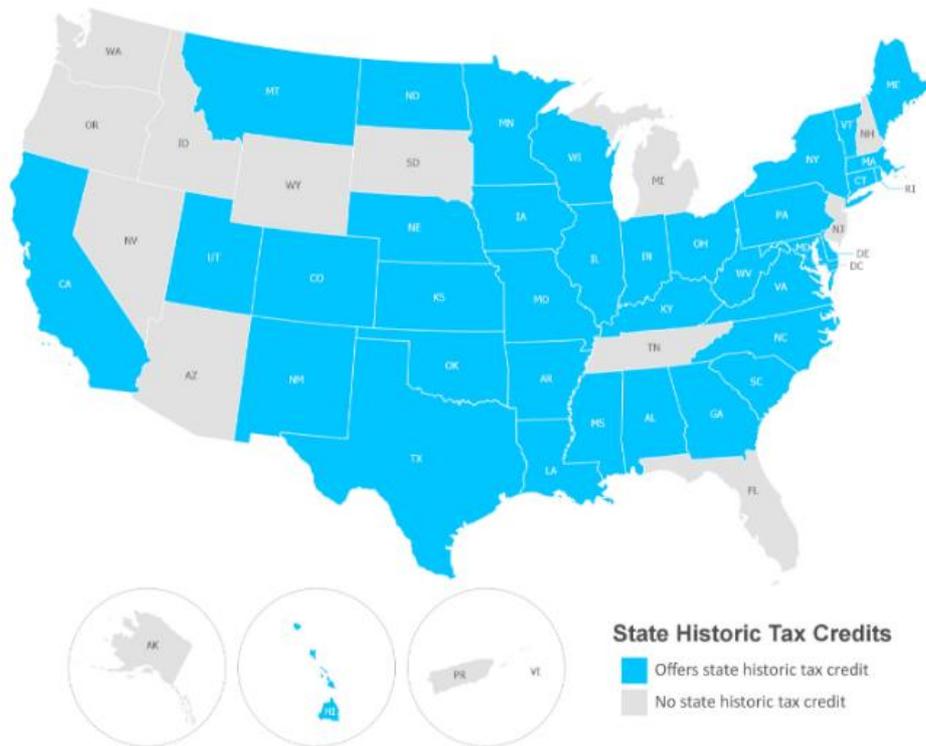


Coronavirus Legislation Sign-On Letter

- Supports preservation programs in future stimulus bills
 - Urges inclusion of policy recommendations included in HTC-GO and a temporary increase in the credit percentage for HTC projects
- Organization sign-on closes COB, Monday, April 27 – sign on [here](#)



State Historic Tax Credit Advocacy



- How will states support economic recovery?
- Gathering information about efforts to bolster state HTCs
- Developing resources for HTC stakeholders to enhance advocacy efforts

Staying Up-To-Date

- The National Trust will continue sharing resources and federal advocacy opportunities as they become available
- Visit our website at forum.savingplaces.org and our social media channels
- Engage with our monthly Advocacy Newsletter – subscribe [here](#)
- Additional webinars forthcoming – subscribe [here](#)



QUESTION AND ANSWER

Use the chat box on the bottom right to ask questions of the speakers.

Stay Engaged!

- Register for our next webinar “[Leveraging Insurance to Aid Your Organization During the Coronavirus](#)” on Tuesday, April 28
- **Discounted Forum member rate for webinar participants:**
 - Join Forum and help us to continue to provide resources like this webinar
 - Visit bit.ly/2S3DyrD to join at \$100 off Forum membership by May 1, 2020





National Trust *for* Historic Preservation

Preservation Leadership Forum

WEBINAR

Thank you!

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Contact Us:

forumonline@savingplaces.org

TOGETHER WE ARE FORUM