

The Basics of the Federal Historic Preservation Tax Incentives Program & the Secretary of the Interior's Standards: Making it Work at Fort Hancock

Federal Advisory Committee Act (FACA) Meeting for the Fort Hancock 21st Century Advisory Committee



**Highland, NJ
May 30, 2014**

**Audrey Tepper
Historical Architect,
National Park Service**



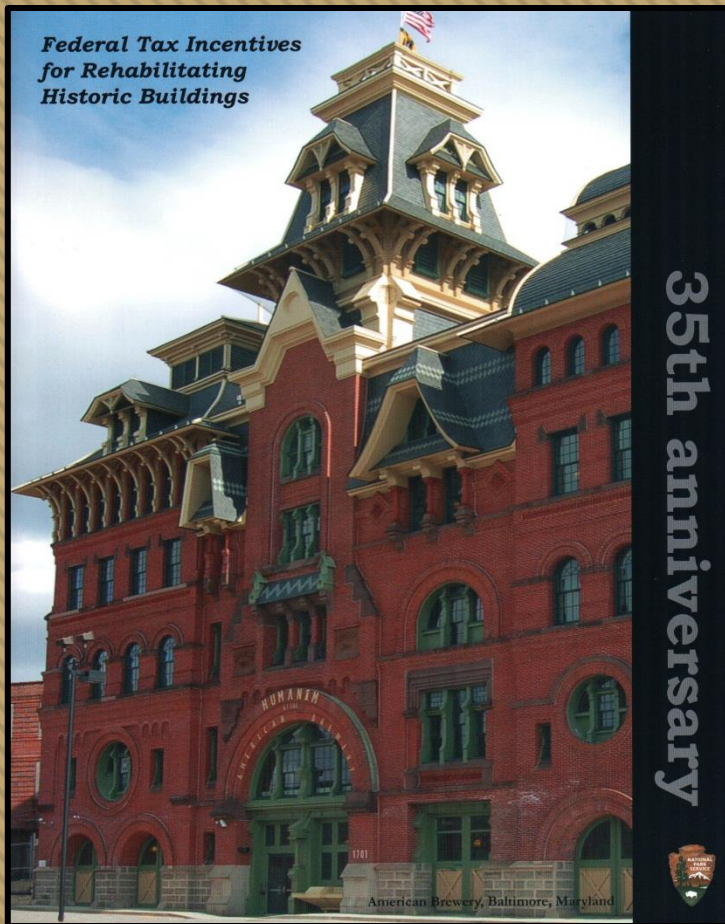
National Park Service
U.S. Department of the Interior

The "Tax Incentives" Program

Historic Preservation Tax Incentives



National Park Service
U.S. Department of the Interior
Technical Preservation Services



*Federal Tax Incentives
for Rehabilitating
Historic Buildings*

35th anniversary

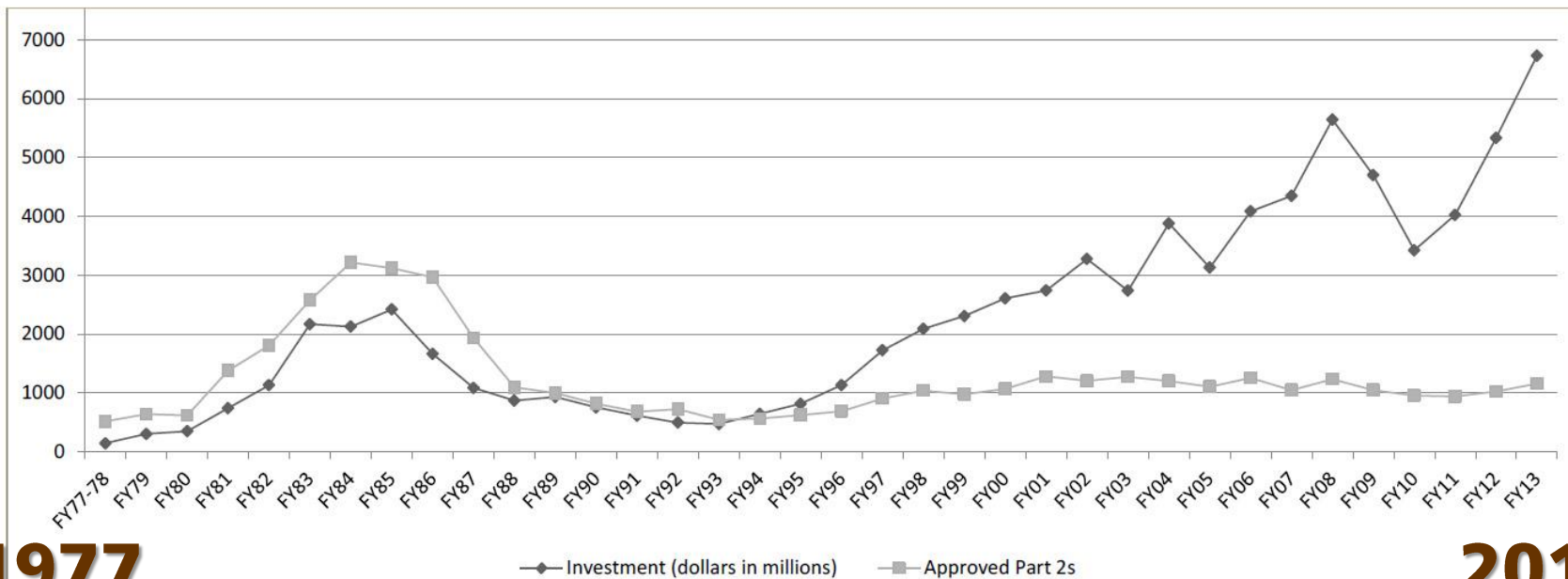


36 years old and counting!

Buildings of all shapes & sizes get tax credits...



Federal Tax Incentives For Rehabilitating Historic Buildings 1977-2013



1977

2013

Figure 1. Note: Investment dollars above are not adjusted for inflation.

Tax Credit Activity 1977-2013

No. of Historic Rehab. Projects Certified

39,622

Rehabilitation Investment

\$69.49 billion

Highlights for 2013

Before

- Rehabilitation Work Approved

• **\$6.73 billion**

- Median cost of projects

\$770,000 - \$760,000

- # of Approved Applications

1,155

- # of Housing Units Created

Overall - 25,171

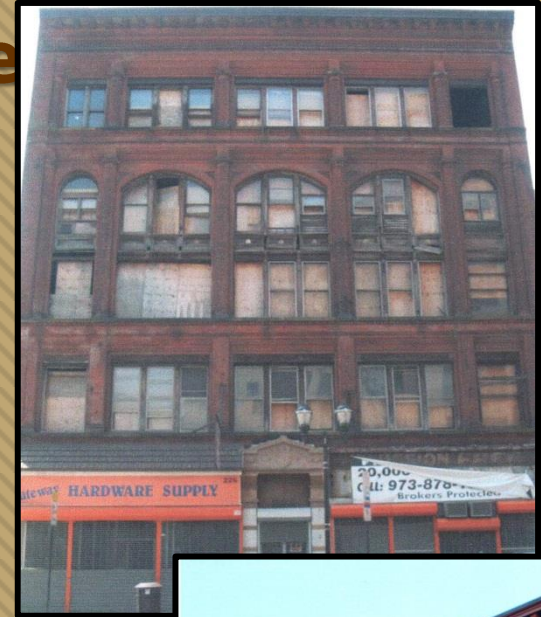
- Low and Moderate Income

Housing Units Created - 7,097

- Estimated Total # of Local Jobs

Created - 62,923

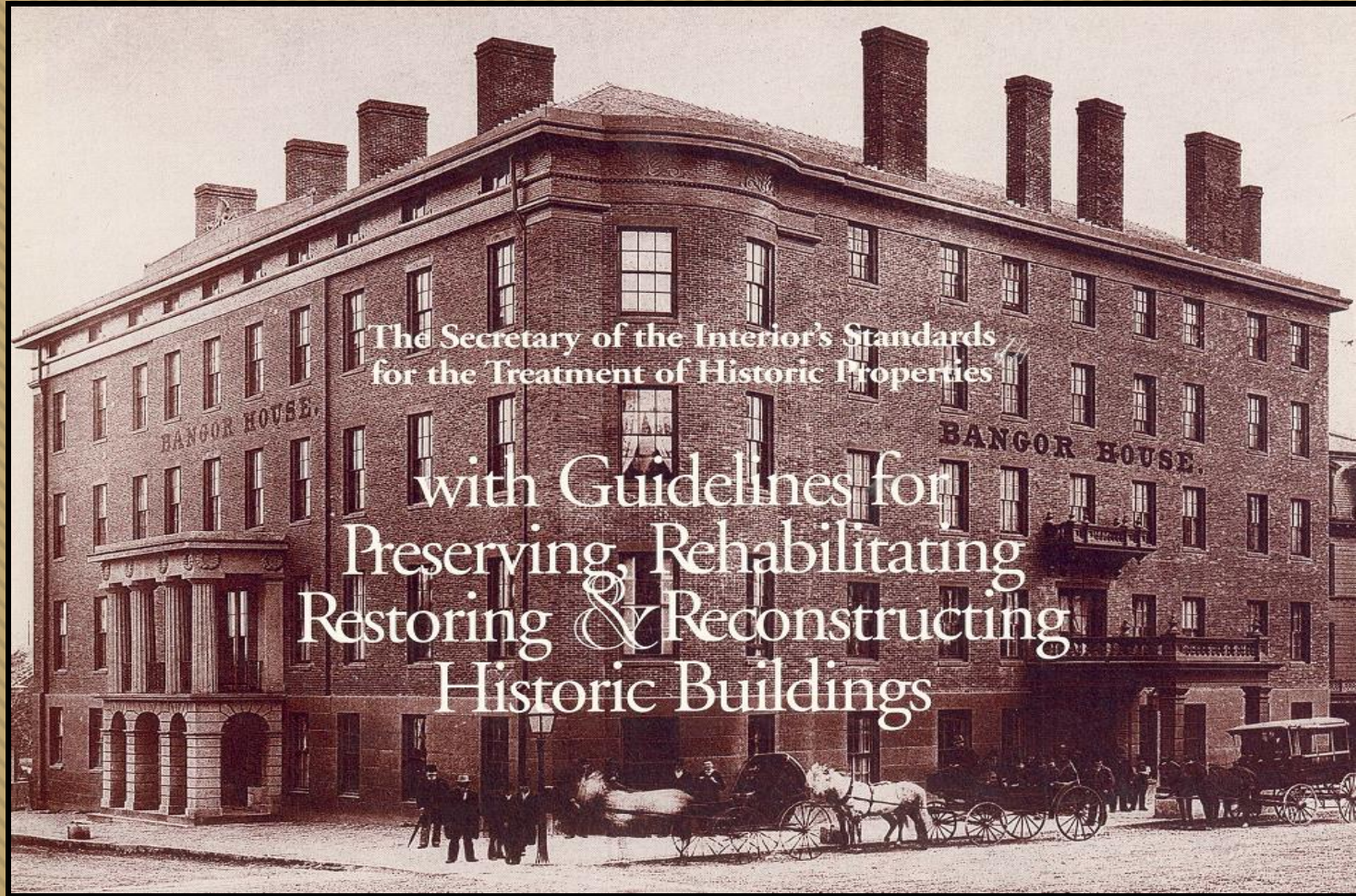
**Columbian Block
Newark, NJ**



After



The Secretary of the Interior's Standards are used to evaluate tax credit projects



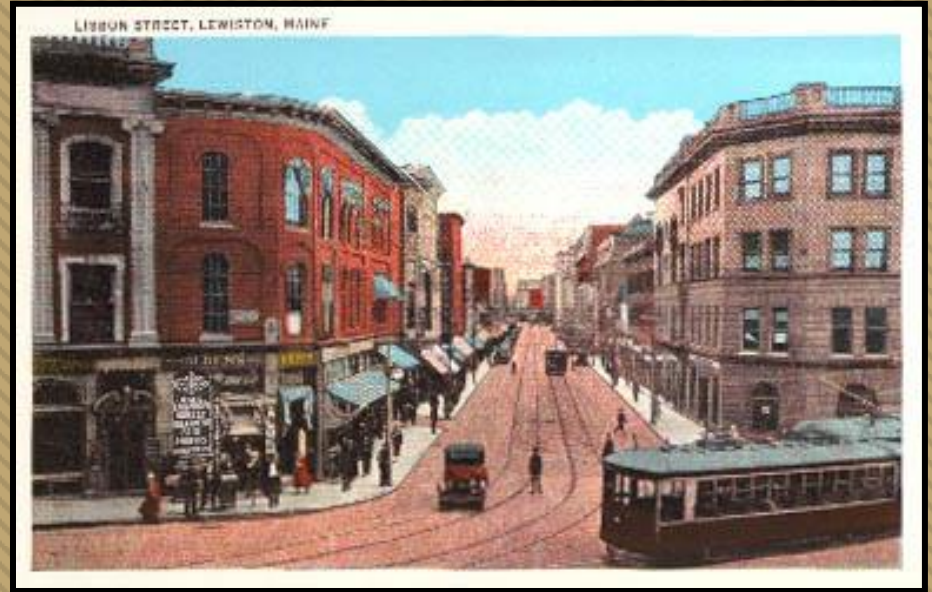
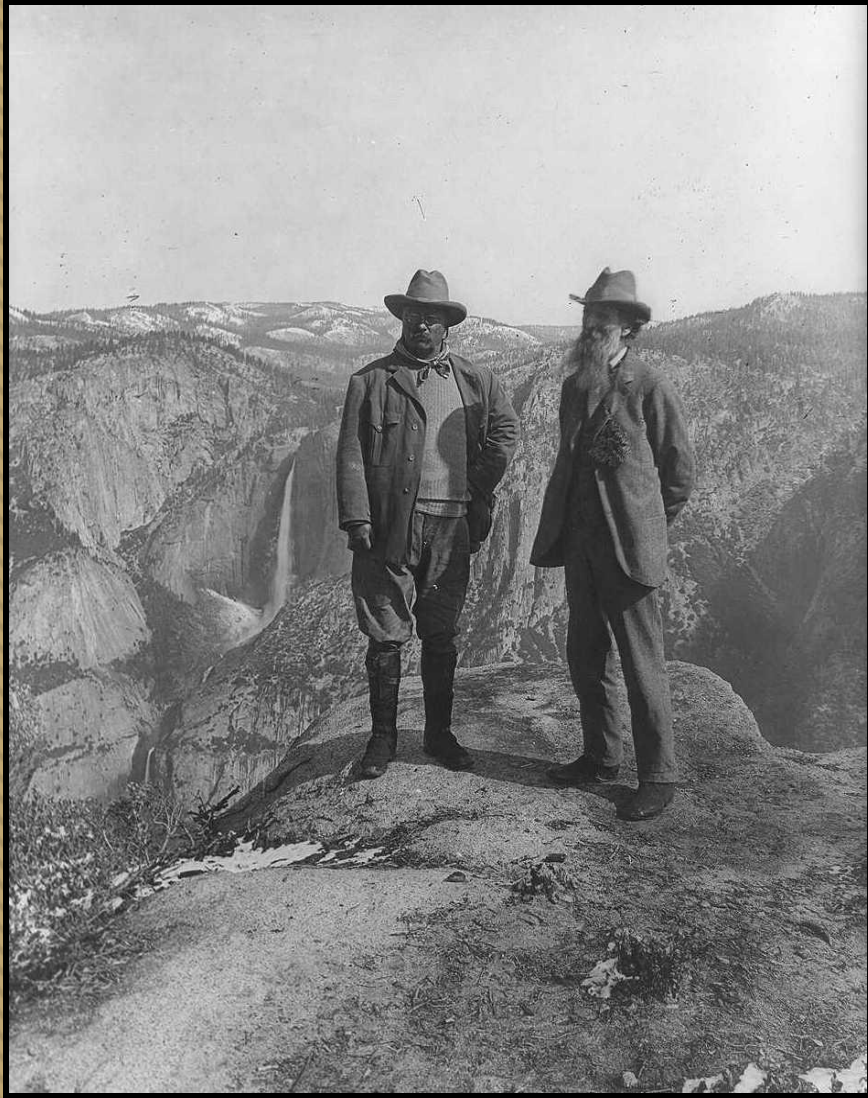
The National Parks Service deals with the preservation of public property...





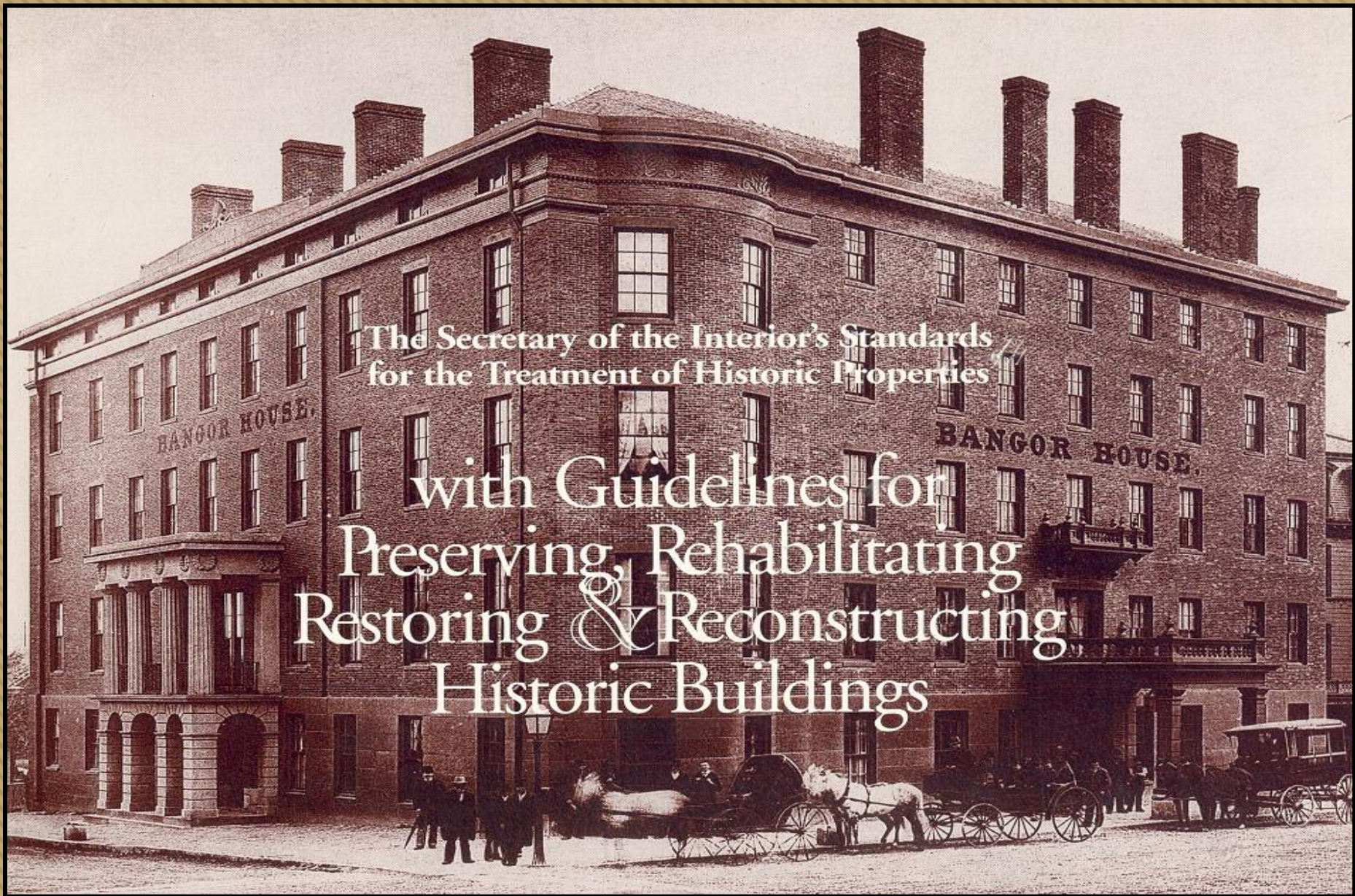
... and the National Park Service deals with the preservation of private property as well.

Antiquities Act of 1906



National Historic Preservation Act of 1966

Theodore Roosevelt and John Muir at Yosemite



The Secretary of the Interior's Standards
for the Treatment of Historic Properties

with Guidelines for
Preserving, Rehabilitating
Restoring & Reconstructing
Historic Buildings

The Secretary's Standards



It's not easy being green!!" ...Kermit the Fro

Co-Administers of the Rehabilitation Tax Credit Program



**National Park
Service
Department of
the Interior**

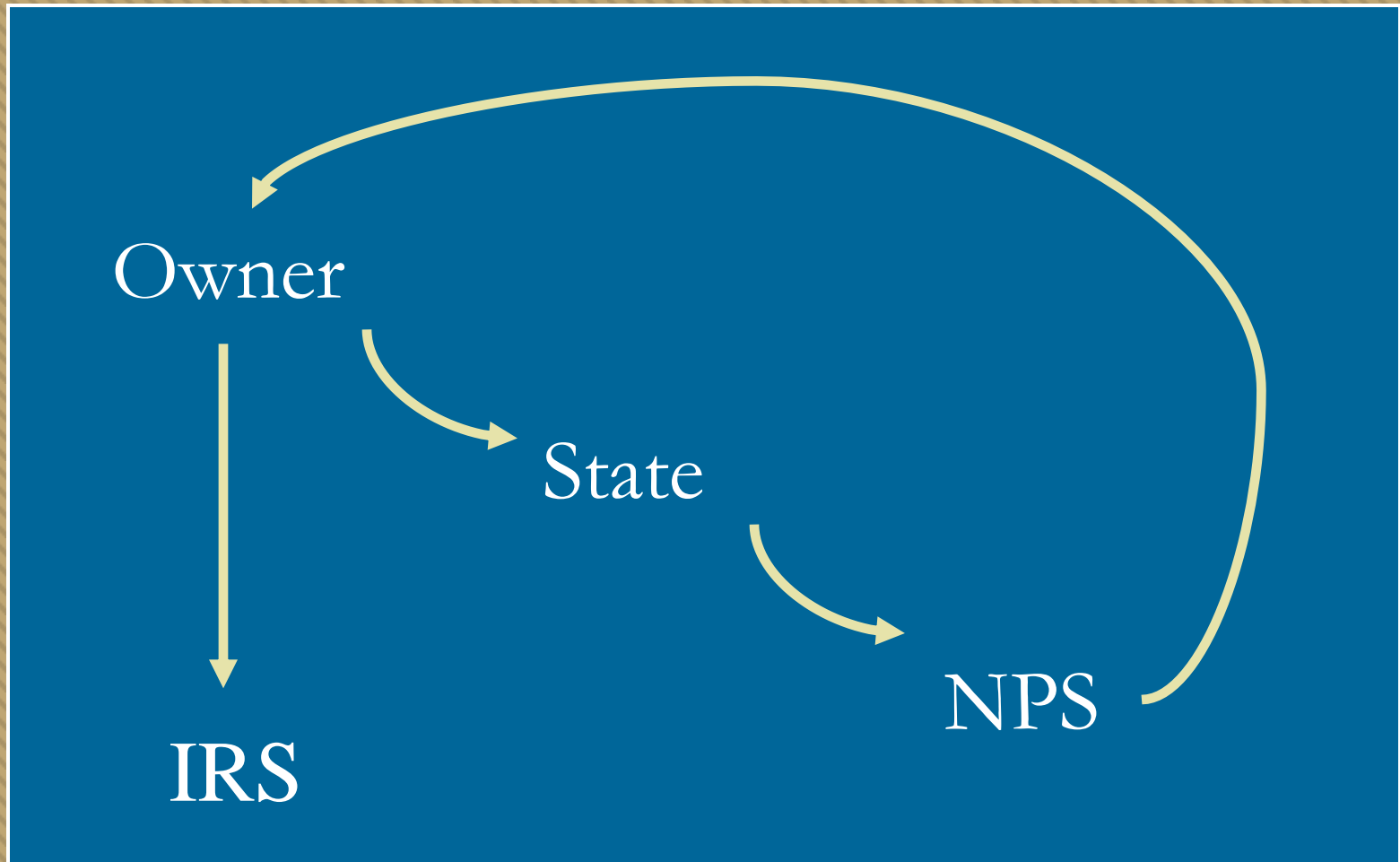


**Network of State Historic
Preservation Offices**



Internal Revenue Service

Tax Credit Review Process



To Qualify for the 20% Tax Credit:

- **Must be listed or eligible for listing in the National Register of Historic Places**



**Landis Theater,
Vineland,
NJ**

Historic districts and individually-listed properties...



**Individually-
Listed
Buildings**

Historic Districts

Historic districts may be large and diverse military bases...



Fort Monroe, Hampton, VA

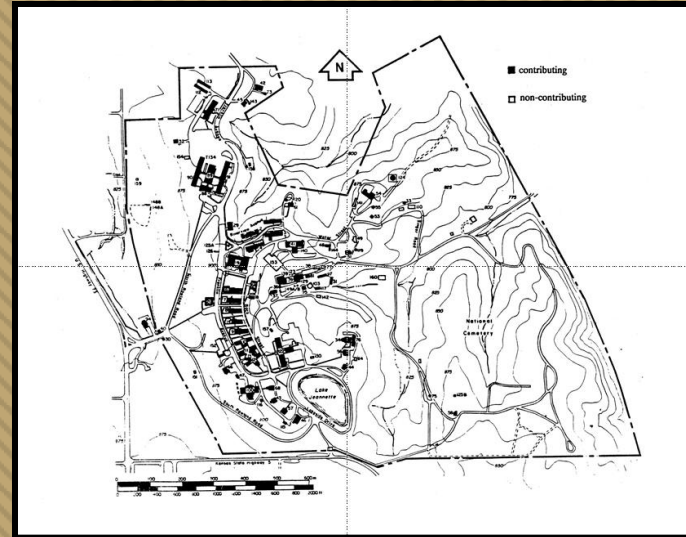
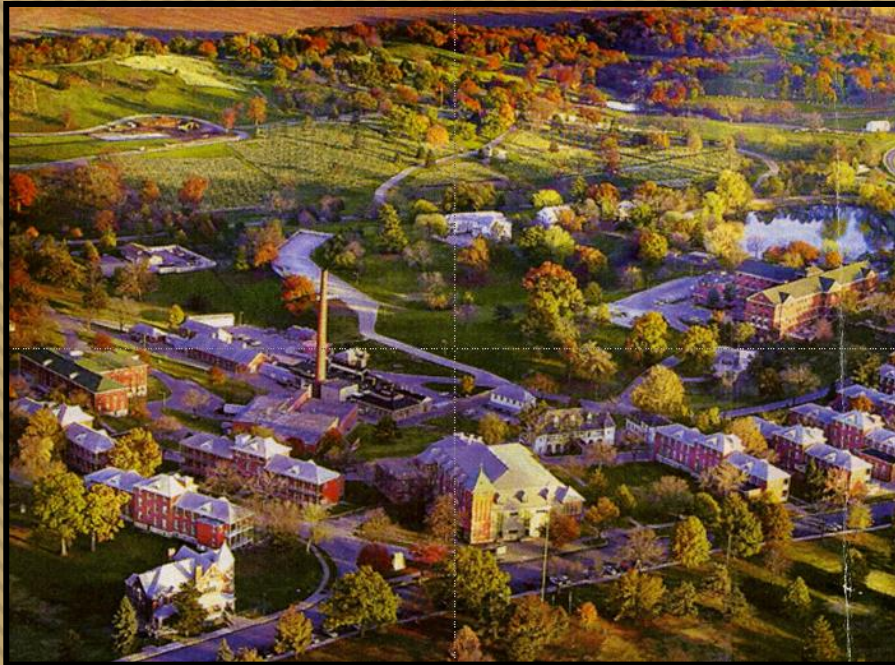


Fort Monroe

NPS Files



Fort Baker Sausalito, CA



Leavenworth VA Hospital

To Qualify for the 20% Tax

Credit:

- Must be listed or eligible for listing in the National Register of Historic Places
- Is generally 50 years or older
- Must be a building
- Must be an depreciable property
- Must meet the IRS substantial



150 Bay Street, Jersey City, NJ

Must meet the Secretary's Standards!!

IRS Information:

FAQs, etc.

<http://www.nps.gov/tax-incentives/before-apply/irs.htm>



Contact at the IRS:

Colleen Gallagher

**National Coordinator for the
Federal Historic Preservation
Tax Incentives Program**

651-726-1480

colleen.k.gallagher@irs.gov

20% Rehabilitation Tax Credit

- **Syndicated through limited partnerships**
- **Earned by owners or long-term lessees**
- **Combined with Low Income Housing Credits**
- **Combined with state tax incentives**
- **Earned by all rehabilitations that meet the program requirements**



Evaluation of Significance

PART 1

Historic Preservation Certification Application

PART 2

PART 3

Request for Certification of Completed Work

3-Part Application

Form 10-168 Rev. 12/90 UNITED STATES DEPARTMENT OF THE INTERIOR NATIONAL PARK SERVICE OMB Approved No. 1024-0009

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART 1 — EVALUATION OF SIGNIFICANCE

NPS Office Use Only NPS Office Use Only

NRIS No: _____ Project No: _____

Instructions: Read the instructions carefully before completing application. No certification will be made unless a completed application form has been received. Type or print clearly in black ink. If additional space is needed, use continuation sheets or attach blank sheets.

1. Name of property: _____
Address of property: Street _____
City _____ State _____

Name of historic district: _____
 National Register district certified state

2. Check nature of request:
 certification that the building contributes to the high significance of the above-named historic district
 certification that the structure or building and, where appropriate, the site are of historic significance
 certification that the building does not contribute to the significance of the above-named historic district
 preliminary determination for individual listing as a historic structure
 preliminary determination that a building located on the site of a historic structure is eligible for listing as a certified historic structure

3. Project contact:
Name _____
Street _____
City _____ State _____ Zip _____

4. Owner:
I hereby attest that the information I have provided is a true and accurate representation of the facts in this application to 18 U.S.C. 1001.
Name _____
Organization _____
Social Security or Taxpayer Identification Number _____
Street _____
City _____ State _____ Zip _____

NPS Office Use Only
The National Park Service has reviewed the "Historic Preservation Certification Application" and has determined that the property:
 contributes to the significance of the above-named historic district
 contributes to the significance of the above-named historic structure
 does not contribute to the significance of the above-named historic district or structure

Preliminary Determination
 appears to meet the National Register Criteria for Evaluation
 appears to meet the National Register Criteria for Evaluation
 appears to meet the significance of a potential National Register District
 appears to meet the significance of a registered historic structure
 does not appear to qualify as a certified historic structure

Date _____ National Park Service Authorized Signature _____

Form 10-168a Rev. 12/90 UNITED STATES DEPARTMENT OF THE INTERIOR NATIONAL PARK SERVICE OMB Approved No. 1024-0009

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART 2 — DESCRIPTION OF REHABILITATION

NPS Office Use Only NPS Office Use Only

NRIS No: _____ Project No: _____

Instructions: Read the instructions carefully before completing application. No certification will be made unless a completed application form has been received. Type or print clearly in black ink. If additional space is needed, use continuation sheets or attach blank sheets. A copy of this form may be provided to the Internal Revenue Service. The decision by the National Park Service with respect to certification is made on the basis of the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form shall take precedence.

1. Name of property: _____
Address of property: Street _____
City _____ State _____

Listed individually in the National Register of Historic Places; give date of listing
 Located in a Registered Historic District; specify _____

Has a Part 1 Application (Evaluation of Significance) been submitted for this property?
If yes, date Part 1 submitted: _____ Date of certification: _____

2. Data on building and rehabilitation project:
Date building constructed: _____
Type of construction: _____
Used before rehabilitation: _____
Proposed use(s) after rehabilitation: _____
Estimated cost of rehabilitation: \$ _____
This application covers phase number _____ of _____ phases
Project/phase start date (est.): _____

3. Project contact:
Name _____
Street _____
City _____ State _____ Zip _____

4. Owner:
I hereby attest that the information I have provided is, to the best of my knowledge, true and accurate representation of the facts in this application subject to criminal sanctions of up to five years pursuant to 18 U.S.C. 1001.
Name _____ Signature _____
Organization _____
Social Security or Taxpayer Identification Number _____
Street _____
City _____ State _____ Zip _____

NPS Office Use Only
The National Park Service has reviewed the "Historic Preservation Certification Application" and has determined that the property:
 meets the Secretary of the Interior's "Standards for Rehabilitation" as applied to the owner of a "certified historic structure"
 meets the Secretary of the Interior's "Standards for Rehabilitation" as applied to the owner of a "certified historic structure"
 proposed rehabilitation will meet the Secretary of the Interior's "Standards for Rehabilitation"
 proposed rehabilitation is not consistent with the Secretary of the Interior's "Standards for Rehabilitation"

Date _____ National Park Service Authorized Signature _____

Form 10-168c Rev. 12/90 UNITED STATES DEPARTMENT OF THE INTERIOR NATIONAL PARK SERVICE OMB Approved No. 1024-0009

HISTORIC PRESERVATION CERTIFICATION APPLICATION REQUEST FOR CERTIFICATION OF COMPLETED WORK

NPS Office Use Only

NRIS No: _____

Instructions: Upon completion of the rehabilitation, return this form with representative photographs of the completed work (both exterior and interior views) to the appropriate reviewing office. If a Part 2 application has not been submitted in advance of project completion, it must accompany this Request for Certification of Completed Work. A copy of this form will be provided to the Internal Revenue Service. Type or print clearly in black ink. The decision by the National Park Service with respect to certification is made on the basis of the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form shall take precedence.

1. Name of property: _____
Address of property: Street _____
City _____ County _____ State _____ Zip _____

Is property a certified historic structure? yes no If yes, date of certification by NPS: _____ or date of listing in the National Register: _____

2. Data on rehabilitation project:
National Park Service assigned rehabilitation project number: _____
Project starting date: _____
Rehabilitation work on this property was completed and the building placed in service on: _____
Estimated costs attributed solely to the rehabilitation of the historic structure: \$ _____
Estimated costs attributed to new construction associated with the rehabilitation, including additions, site work, parking lots, landscaping: \$ _____

3. Owner: (space on reverse for additional owners)
I hereby apply for certification of rehabilitation work described above for purposes of the Federal tax incentives. I hereby attest that the information provided is, to the best of my knowledge, correct, and that in my opinion the completed rehabilitation meets the Secretary's "Standards for Rehabilitation" and is consistent with the work described in Part 2 of the Historic Preservation Certification Application. I also attest that I own the property described above. I understand that falsification of factual representations in this application is subject to criminal sanctions of up to \$10,000 in fines or imprisonment for up to five years pursuant to 18 U.S.C. 1001.
Name _____ Signature _____ Date _____
Organization _____
Social Security or Taxpayer Identification Number _____
Street _____ City _____
State _____ Zip _____ Daytime Telephone Number _____

NPS Office Use Only
The National Park Service has reviewed the "Historic Preservation Certification Application — Part 2" for the above-named "certified historic structure" and has determined:
 that the completed rehabilitation meets the Secretary of the Interior's "Standards for Rehabilitation" and is consistent with the historic character of the "certified historic structure" in which it is located. Effective the date indicated below, the rehabilitation of the "certified historic structure" is hereby designated a "certified rehabilitation project." A copy of this certification has been provided to the Department of the Treasury in accordance with Federal law. This letter of certification is to be used in conjunction with appropriate Internal Revenue Service regulations. Questions concerning specific tax consequences or interpretations of the Internal Revenue Code should be addressed to the appropriate local Internal Revenue Service office. Completed projects may be inspected by the Secretary to determine if the work meets the "Standards for Rehabilitation." The Secretary reserves the right to make unannounced inspections within five years after completion of the rehabilitation and to revoke certification, if it is determined that the rehabilitation project was not completed in accordance with the Secretary's "Standards for Rehabilitation."
 that the completed rehabilitation meets the Secretary of the Interior's "Standards for Rehabilitation" and is consistent with the historic character of the "certified historic structure" in which it is located and that the project does not meet the Secretary of the Interior's "Standards for Rehabilitation." A copy of this form will be provided to the Internal Revenue Service.

Date _____ National Park Service Authorized Signature _____ National Park Service Office/Telephone No. _____

See Attachments

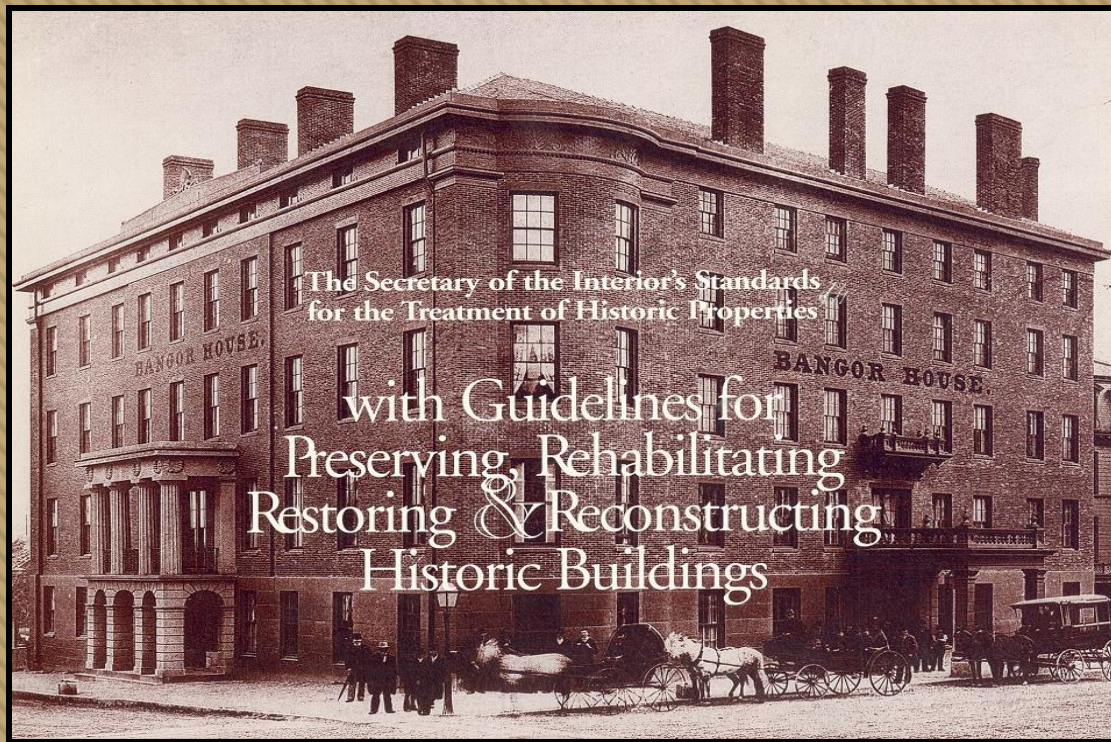
A Good Team ='s Success!

- **Knowledgeable owner**
- **Preservation consultant**
- **Preservation architect**
- **Accountant**
- **Tax attorney**
- **Early and regular consultation
with the State Historic
Preservation Office!**



Potential Pitfalls

- ✓ **Proceeding with work before Part 2 approved**
- ✓ **Refusing to negotiate project changes in response to SHPO and NPS guidance and conditions**
- ✓ **Assuming local review / approval = certification of rehabilitation for tax credits**
- ✓ **Not being comprehensive enough in your Part 2 narrative –
Description of Rehabilitation**



Four Treatment Standards

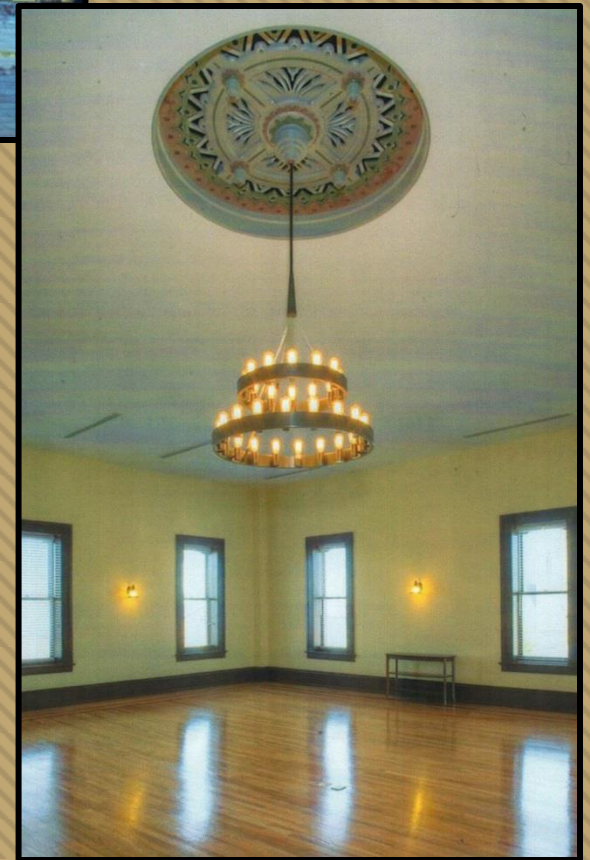
1. Preservation

2. REHABILITATION

3. Restoration

4. Reconstruction

There are 10 Rehabilitation Standards



G. G. Green Block, Woodbury, NJ

3 things to remember about the Rehabilitation Standards



1. Retain and repair rather than replace



Before



After



Row House, Richmond, VA

2. Retain historic character, even if use of building changes



Before

After



**Anna Bolling Jr.
High School
Petersburg, VA**



3. New additions or related new construction must be compatible with the historic building

Properly-scaled addition at rear of property and not highly visible

