The Academy Lofts development in southwest Atlanta is a mixed-use preservation project with the goal of connecting people and building community. The 1912 George W. Adair Elementary School was designed in the Academic Gothic Revival style by Edward Dougherty, one of Atlanta’s leading architects. The building now features 10 units of affordable housing for artists, 20 additional affordable housing units, 5 market-rate apartment units, a café, event venue, and nonprofit office space. The financing of the project included $1.3 million in federal historic tax credits, $2 million in New Markets Tax Credits, state historic tax credits, and a loan from the city of Atlanta.

PHOTO BY ART MERIPOL

The Historic Tax Credit (HTC) is a proven tax incentive for revitalizing historic community assets and supporting economic development and recovery. It is a 20% income tax credit applied to qualified rehabilitation costs for income-producing certified historic structures, distributed over 5 years (4% per year). The credit generates new economic activity by leveraging private dollars—$181 billion since 1978—to preserve historic buildings and create jobs. According to the National Park Service’s HTC Impact Report (2021), it has encouraged the rehabilitation of over 47,000 historic buildings and has created nearly 3 million jobs. The Historic Tax Credit represents the largest federal investment specifically supporting historic preservation.

Support the Historic Tax Credit

The Historic Tax Credit (HTC) is a proven tax incentive for revitalizing historic community assets and supporting economic development and recovery. It is a 20% income tax credit applied to qualified rehabilitation costs for income-producing certified historic structures, distributed over 5 years (4% per year). The credit generates new economic activity by leveraging private dollars—$181 billion since 1978—to preserve historic buildings and create jobs. According to the National Park Service’s HTC Impact Report (2021), it has encouraged the rehabilitation of over 47,000 historic buildings and has created nearly 3 million jobs. The Historic Tax Credit represents the largest federal investment specifically supporting historic preservation.

The Historic Tax Credit Growth and Opportunity Act (H.R. 2294/ S. 2266)

Introduced by Representatives Blumenauer (D-OR) and LaHood (R-IL) and by Senators Cardin (D-MD), Cassidy (R-LA), Cantwell (D-WA), and Collins (R-ME), the Historic Tax Credit Growth and Opportunity Act (HTC-GO) includes provisions that will bring more value to the HTC, improve access to the credit, and enhance investment opportunities for smaller rehabilitation projects. HTC projects have encountered growing challenges over the last 10 years. Due to recent IRS and federal policies the credit has lost value. The value of the tax credit investment has dropped 20-25%. These issues, combined with rising interest rates and skyrocketing costs of materials and labor, have exacerbated financing challenges with these projects. These important changes to the Historic Tax Credit would encourage more building reuse and redevelopment nationwide and would be particularly impactful for small, midsize, and rural communities. These provisions would also make the credit easier to use and more historic properties eligible and make it easier to create affordable housing.

Urge members of Congress to cosponsor the Historic Tax Credit Growth and Opportunity Act (HTC-GO) (H.R. 2294 / S. 2266)

For additional information, contact Shaw Sprague, Vice President of Government Relations, ssprague@savingplaces.org, Michael Phillips, Director of Public Policy at NTCIC, mphillips@ntcic.com, and/or Patrick Robertson, Principal of Confluence GR, proberston@confluencegr.com.
The Federal Historic Tax Credit: A Record of Success

The HTC encourages private investment in historic buildings. The credit attracts private capital—approximately $181 billion since inception—to revitalize often vacant and underutilized properties that have a financing gap between what banks will lend and what the project will cost. The credit also generates new economic activity. According to the National Park Service’s HTC Impact Report (2021), the HTC has contributed to the rehabilitation of 47,000 historic buildings, created nearly 3 million jobs, and produced over 185,000 low- and moderate-income affordable housing units. The NPS 2021 study concluded that the HTC returns more to the Treasury than it costs. The HTC has generated $42.9 billion in federal tax revenue from the $37.6 billion in federal tax credits.

The credit is used in both larger urban areas and smaller towns. In 2020, 40% of projects were in communities with populations under 100,000 and approximately 47% of projects were under $1 million in rehabilitation development costs. From 2013 to 2017, 40% of all HTC projects were in predominantly minority census tracts, and, in 2020, 75% of HTC projects were in economically distressed areas.

Enacting provisions included in the Historic Tax Credit Growth and Opportunity Act (H.R. 2294/ S. 2266) will provide a much-needed update to the incentive and will spur interest in the credit, increase the value investors attribute to the credit, and expand their applicability in harder-to-reach markets. The HTC has a demonstrated history of successfully promoting historic preservation projects throughout the country. Now is the time to strengthen this incentive to address the slowdown in rehabilitation activity resulting from industry-specific economic challenges and provide communities with the tools they need to support community revitalization and recovery.

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