



Top 10 Things to Do on Every Historic Tax Credit Project



With a nod to David Letterman, here's a list of the **Top 10 things to do** when you are planning your next adaptive use project:

- 1. Remember that historic tax credit projects are complex — but not difficult.** To qualify for the historic preservation tax credit, it's necessary to follow a set of very specific regulations and requirements. While these may seem byzantine at first, the process becomes much clearer with just a bit of experience.
- 2. Build a team with the development, design and construction experience to understand the challenges ahead.** When building your team, be sure to surround yourself with experienced professionals, especially if this is your first tax credit project. Historic preservation tax credit projects can be very painful experience if key stakeholders are inexperienced.
- 3. Talk to your preservation officials — early and often.** It is imperative to discuss the project with local, state and national preservation reviewers whenever possible. Discussing the team's understanding of a property's character defining elements and any proposed modifications to the building before putting pen to paper reduces backtracking on the design side and also signals to preservation officials that you are willing to discuss the project approach with them and value their input.
- 4. Talk to your local building code officials — early and often.** Speaking with building code officials, zoning administrators, etc. can significantly cut down on heartache down the road by identifying public officials' key concerns, and what they consider acceptable methods to address those concerns.
- 5. Be honest and offer full disclosure to officials reviewing your project.** Don't try to hide a non-code compliant condition or historic feature from those reviewing the project. There is a strong element of trust involved in these types of reviews and if an attempt at deception or omission is discovered, those very same officials who can be your strongest allies can become a nightmare. And they have very long memories, so their displeasure and mistrust may well follow on to future projects.
- 6. Budget adequate construction contingency funds, especially for structural issues.** Spending time in a building early on to perform due diligence surveys is vital. However, despite a team's best efforts to uncover hidden damage and other unacceptable conditions, something will inevitably be discovered during the construction phase of a project's redevelopment. Structural concerns are the most frequent unanticipated field conditions because unforeseen structural conditions are more likely to be buried behind a wall or under additional structure, and electrical, and plumbing systems are removed during most significant renovation projects.
- 7. Pay particular attention to hot-button issues: rooftop additions, windows, and new entrances.** While there are many concerns that need to be addressed from a preservation perspective during the renovation of a historic structure, the ones that appear in comments from the State Historic Preservation Offices and the National Park Service center around the three items noted above — rooftop additions, windows and new entrances.
- 8. Think creatively and look at potential synergies — sustainable design, new market tax credits, Brownfield funds, etc.** Proper execution of a historic preservation tax credit project may require significant expenditures associated with the work. But the tax credits can typically be 'twinned' with other incentives, if you are willing and able to look at and combine multiple 'buckets' of funding.
- 9. Expect the unexpected.** No matter how much planning and investigation is poured into a project, unexpected things frequently crop up — scheduling issues, unforeseen expenditures, etc. Addressing such issues early on, rather than simply hoping they go away, is central to minimizing any impacts of the unexpected. If you see something, say something.
- 10. Keep a sense of humor.** Despite everyone's best efforts, sometimes challenges pop up. Try not to get too tied up in how things got to where they are, and focus on generating the best solution. Otherwise, you can go crazy...