



# Financial Assistance *for* Historic Preservation



# Types of Financial Assistance



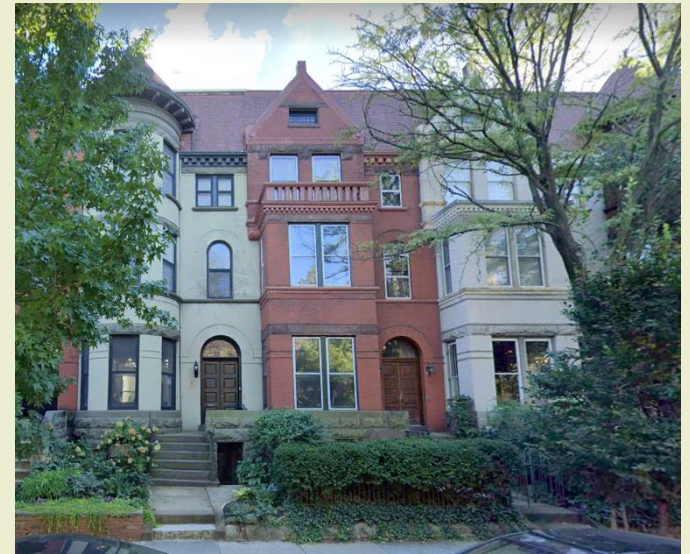
1. Easement Donations
2. Historic Homeowner Grants
3. Rehabilitation Tax Credits



# Easements



- Section 170 of the Internal Revenue Code allows a taxpayer to donate an easement on their property for a conservation or preservation purpose in favor of a charitable organization and treat it as though it were a charitable contribution.
- The easement must be granted to a government body or tax-exempt organization whose purpose is to maintain conservation easements for public use.



# Easements



- The deduction is equal to the diminution in value resulting from burdening the property with the easement's restrictions.
- The value is determined by a professional appraiser selected and hired by the donor. Because each property is unique, there is no set formula for estimating the value – it depends on the property and the nature of the restrictions that the easement imposes.



# Easements



- *Private* charitable contribution
- Deducted as an itemized deduction
- Must be transferred to a 501(c)(3) organization
- Recorded on deed
- In perpetuity





# Easements



- Easement holder must give permission for any changes



# Easements



- Over 1750 easements in DC
- Condo buildings, too.
- Easement holders – L'Enfant Trust, Historic Georgetown, Capitol Historic Trust, DC HPO





# *Historic Homeowner Grants*





# Historic Homeowner Grants



- HPO provides up to \$25,000 (\$35,000 in Anacostia) for exterior restorations and structural repairs
- Targeted grant program
  - Available to low- and moderate-income applicants
    - ✦ household income of 120% or less of the area median income;
  - Taxpayers
  - Homeowner occupied
  - Available in specific Historic Districts



# Historic Homeowner Grants



- A taxpayer who has a household income of more than 60% but no more than 90% of area median income shall be required to match the grant by contributing a minimum of 25% of the cost of the rehabilitation except in Anacostia, where the minimum match is 15%
- A taxpayer who has a household income of more than 90% of area median income shall be required to match the grant by contributing a minimum of 50% of the cost of the rehabilitation except in Anacostia, where the minimum match is 40%

# Historic Homeowner Grants



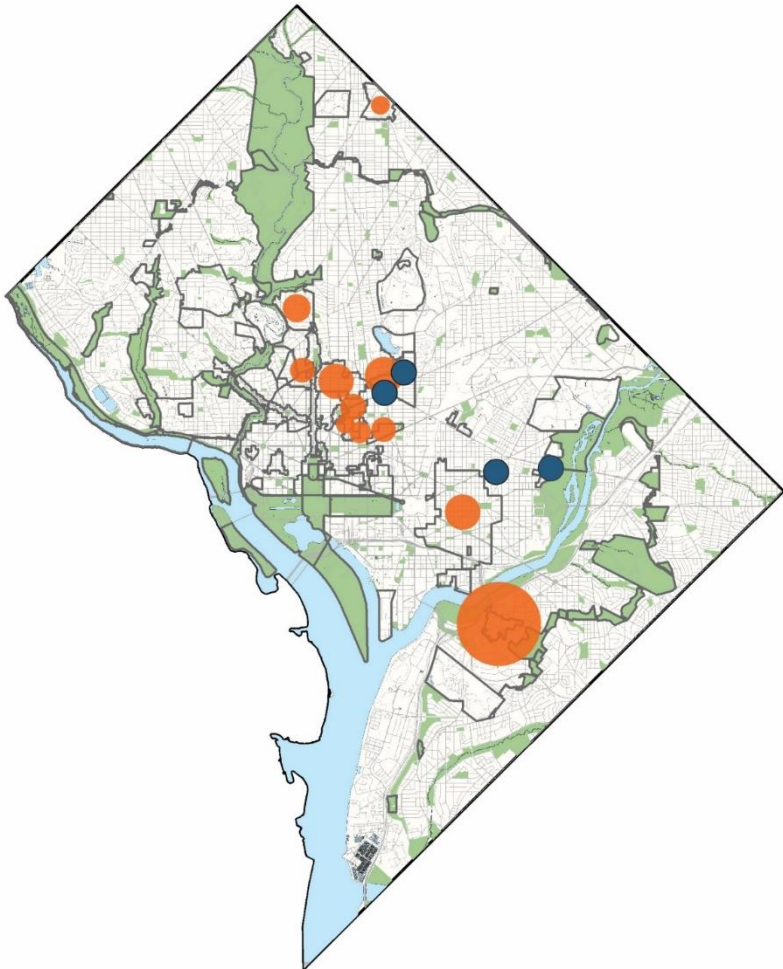
- Three categories based on household income and number of residents
  - No match required
  - 25% match
  - 50% match
- Covenant with HPO for 5 years - improvements must be maintained in good repair

# Historic Homeowner Grants



Grants currently available in these HDs:

Anacostia  
Blagden Alley  
Capitol Hill  
14<sup>th</sup> Street  
LeDroit Park  
Mount Pleasant  
Mount Vernon Square  
Mount Vernon Triangle  
Shaw  
Strivers' Section  
Takoma Park  
U Street  
Emerald Street  
Kingman Park  
Wardman Flats  
Bloomingdale



# Historic Homeowner Grants



1902 3<sup>rd</sup> Street NW





# Historic Homeowner Grants



524 25<sup>th</sup> Place NE



# Historic Homeowner Grants



913 12<sup>th</sup> Street SE



# Historic Homeowner Grants



- *DC government* grant program (through HPO)
- Financial assistance to low- and moderate-income homeowners to help with the cost of repairing their historic homes
- More money you make, the higher the match requirement
- 5 year covenant





# Historic Rehabilitation Tax Credits



# Tax Credits



- *Federal* income tax program
- Income-producing properties only
- Buildings must be designated as historic
- Covers 20% of rehabilitation costs
- Both interior and exterior work

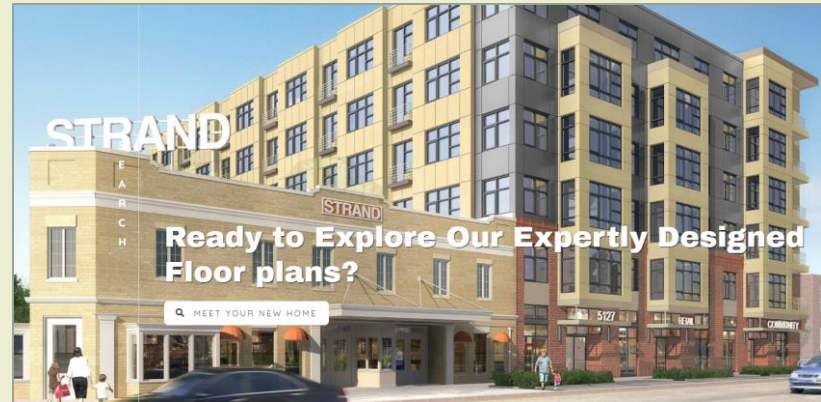




# Tax Credits



- Not-for-profits can partner with other entities
- Can pair with Low Income Housing Tax Credits and/or New Market Tax Credits – more bang for your buck
- 5 year recapture period



# Tax Credits



- Owner/Consultant
  - Architect
  - DC Historic Preservation Office
  - National Park Service
  - IRS
- 
- Secretary of the Interior's Standards for Rehabilitation



# Tax Credits



- Three part application

*Part 1* - Establish that the building is historic and document conditions

*Part 2* – Plan development and design review

*Part 3* - Certify that work is complete with photos

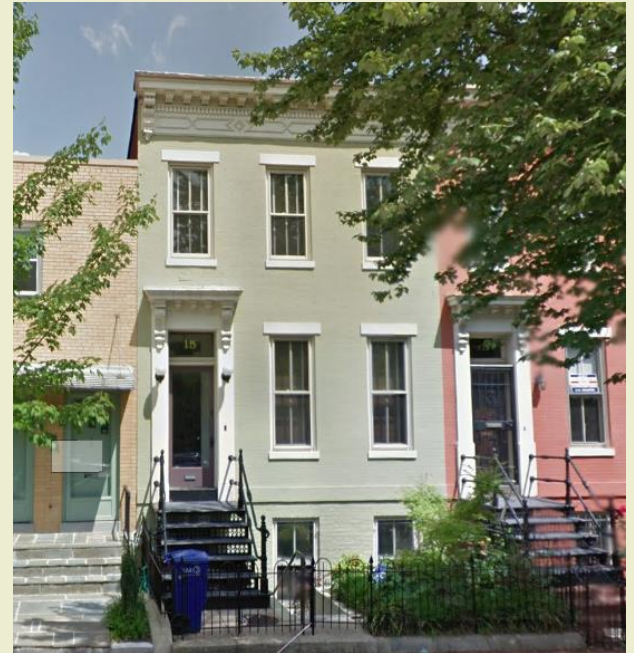


# Tax Credits



## ● Part 3 Certifications

- FY 2021 – \$29M refunded to owners
- FY 2020 – \$13.1 refunded to owners
- FY 2019 – \$9M refunded to owners
- FY 2018 – \$60.7M refunded to owners



# Tax Credits



## The Sorrento Apartments





# Tax Credits



- Federal income tax program
- Businesses or rental properties
- 20% of costs refunded
- 5 year recapture period



# For more information



## Grants

<https://planning.dc.gov/service/historic-homeowner-grant-program>

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## Easements

<https://planning.dc.gov/page/historic-preservation-easements>

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## Tax Credits

<https://www.nps.gov/tps/tax-incentives>

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## For more information



- Historic Preservation Office

202-442-8800

<https://planning.dc.gov/page/historic-preservation-office>

- <https://propertyquest.dc.gov/>

