Making the Most of Your Historic Building

LOUISIANA TRUST FOR HISTORIC PRESERVATION
LOUISIANA DIVISION OF HISTORIC PRESERVATION
What makes a building “historic”? 
50+ years old

Keeps most of its character
Revolving Fund & Easements
Revolving Funds & Easements

- Real Estate program for endangered historic properties
- Actively search for vacant or distressed buildings
- Support the active market; realtors protected
- Properties are marketed and sold with protective easements
- Proceeds are “revolved” into saving additional buildings
With Major Condition Issues, Property is Acquired
Money "Revolves" back into the Fund for Saving Another Building

Saving Another Building
What we look for . . .
Protective Easements

- Insuring Owners’ Wishes into the Future
- Protects historic features
- Requires continued maintenance
- Establishes a review process
- Protects in perpetuity
Historic Preservation Can:

- Be an Alternative to Demolition
- Eliminate Blight & Code Violations
- Strengthen Communities
- Increase Property Values & Tax Base
- Create New Jobs & Promote Tourism
- Lessen Pressure on Landfills
- Maintain Community Identity & Pride
You can help . . .

- Identify Endangered Properties
- Tell Others about LTHP’s new Revolving Fund Program
- Join, Renew or Increase your Membership with LTHP
Louisiana Trust Members Receive Substantial Discounts at Sherwin-Williams Paint Stores Nationwide
Designations & What They Mean
Designations

- LOCAL Historic Districts & Landmarks
- Louisiana STATE Cultural Districts
- NATIONAL Register Listing – Individual or Districts
- Main Street Communities
Local Districts

- Establish Design Guidelines
- Historic Preservation Commission
- Review exterior modifications and new construction
- Based in Zoning Ordinances
- Certificate of Appropriateness prior to Building Permit
LA Cultural District

- Creates a Hub of Cultural Activity
- Designated by the Municipality
- Tax exemption for sale of original artwork
- Opens the door to use of rehabilitation tax credits
National Register of Historic Places

- Honorary Designation – No Restrictions or Protection
- Threshold of Eligibility for Federal Tax Credit Projects
- If Heavily Modified, Designation can be Removed
A program of the Louisiana Cultural Economy Initiative

Under the direction of the Office of the Lt. Governor
Office of Cultural Development
Division of the Arts
Program Purpose
For local governments to revitalize communities by creating locally driven hubs of cultural activity

Benefits
Increased cultural activity, occupancy, commerce, jobs, and sense of community identity
Program Incentives

1. Historic Preservation – expands eligibility of state historic tax credits for rehabilitation of commercial and residential structures to cultural districts.

2. Visual Arts and Crafts – state and local sales tax shall not apply to original, one-of-a-kind works of art.
2015 Annual Report Results

- **Rehabilitation Historic Buildings**—483 commercial, 85 residential applications, with total $ leveraged about 1.7 B

- **Sales Tax Exemptions**—1,400 businesses, 240 organizations, and 3,949 artists benefitted, representing almost $10 million of original art sales

- **Hubs of Cultural Activity**—2,411 cultural events, 5.6 million people

- **Vacant Buildings**—Vacancy rate decreased by 2% - 15%

- **New Businesses**—453 net growth in cultural businesses, 29% are art/cultural

- **Program Recognition as Model**—Mayors' Institute on City Design's (MICD), *Creative Placemaking*
Application Guidelines and Form available online
www.crt.la.gov/cultural-development/arts/cultural-districts

Deadline is March 1, 2017

Gaye Hamilton, Cultural District Program Manager at
Phone: 225.342.8161 or Email: ghamilton@crt.la.gov
Rehabilitation Incentives

Andrea McCarthy
Tax Credit Reviewer
LA Division of Historic Preservation
20% Federal Rehabilitation Tax Credit Program
25% State Commercial Tax Credit Program
18.5% State Residential Tax Credit Program
Federal Rehabilitation Tax Credit

Partners: National Park Service and the IRS

Building must be in a National Register District or Individually Listed

Credit can be used for 20 years, but cannot be transferred or sold
25% State Commercial Tax Credit

Partner: Louisiana Department of Revenue

Credit Issued for year building Placed into Service
Can be sold or transferred

Before 821 Main St. Baton Rouge $1.25 million

After
State Residential Tax Credit

Partner: Louisiana Department of Revenue
Credit Awarded the year building Placed into Service
Refundable credit; 1/5 issued for 5 years

518 Louisiana
Baton Rouge
$133,125

Before

After
Is this right for me?

OR

http://www.hospitalityonline.com/watermark-baton-rouge
Which program?

**INCOME-PRODUCING/COMMERCIAL USE:** - NO CAP
- 20% FEDERAL HISTORIC REHABILITATION TAX CREDIT
- 25% STATE COMMERCIAL TAX CREDIT

**OWNER-OCCUPIED RESIDENTIAL:** - CURRENT CAP $18,500
- 18.5% STATE RESIDENTIAL TAX CREDIT
- 36% STATE RESIDENTIAL TAX CREDIT – VACANT/BLIGHTED
Qualifying building

GEOGRAPHY – WITHIN A DISTRICT

AGE: 50+ YEARS

INTEGRITY: DOES IT LOOK HISTORIC?
Baton Rouge Cultural Districts

Nearby Cultural Districts:
St. Francisville, Jackson, Denham Springs, Donaldsonville

http://www.crt.state.la.us/cultural-development/arts/cultural-districts/index
Rehab Tax Credits FY 14-15

Applications Processed
1,303

Buildings Rehabilitated
184

Construction Jobs Maintained/Created
4,280

Total Jobs Maintained/Created
8,988

Directed Investment in the Rehabilitation of Louisiana’s Historic Buildings
$406,610,231
DIVISION OF HISTORIC PRESERVATION
TAX INCENTIVES

Federal Rehabilitation Tax Credit
State Commercial Tax Credit
State Residential Tax Credit
Federal 10% Credit for Non-Historic Buildings

Secretaries of the Interiors Standards for Rehabilitation
Frequently Asked Questions

Federal Historic Rehabilitation Tax Credit Program
A 20% Federal income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the National Park Service to be “certified historic structures.” The Division of Historic Preservation and the National Park Service review projects to ensure their compliance with the Secretary of the Interior’s Standards for Rehabilitation. The Internal Revenue Service defines qualified rehabilitation expenditures on which the credit may be taken.

State Commercial Tax Credit Program
A 25% State income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Division of Historic Preservation to be “certified historic structures.” The Division of Historic Preservation reviews projects to ensure their compliance with the Secretary of the Interior’s Standards for Rehabilitation. The Louisiana Department of Revenue defines qualified rehabilitation expenditures on which the credit may be taken.

State Residential Tax Credit Program
A 25% State income tax credit is available for the rehabilitation of owner-occupied historic homes, as determined by the Division of Historic Preservation. Each project is reviewed to ensure compliance with the Secretary of the Interior’s Standards for Rehabilitation. The Louisiana Department of Revenue defines qualified rehabilitation expenditures on which the credit may be taken.

These programs have helped preserve many historic buildings throughout Louisiana. They not only offer an incentive to preserve historic buildings, but also act as a major force in economic development. The use of tax credits encourages private-sector rehabilitation of historic buildings and is one of the most successful and cost-effective community revitalization programs. All three programs generate jobs and create commercial, residential, and industrial spaces within historic buildings.

A tax credit is a direct, dollar-for-dollar reduction in the amount of money a taxpayer must pay in taxes for a given year. For example, if a taxpayer owes $5,000 in taxes to the Internal Revenue Service or Department of Revenue, but has a $3,600 credit, he only pays $1,400. Thus he pocketed the $3,600 he would otherwise have to pay in taxes. A credit is much better than a deduction, which merely reduces a taxpayer’s income and puts him in a lower tax bracket.

Time and time again, we hear that these programs make the numbers work for development projects. Louisiana is consistently one of the top ten performing states in the nation, both for the number of historic rehabilitation projects completed and dollars leveraged. To date, historic rehabilitation tax credits have leveraged over $3.7 billion in investment in historic properties in Louisiana alone.

All three of the optional, yet restrictive programs listed below are administered by the Louisiana Division of Historic Preservation. Each program may be used independently, but there are certain instances where all three programs, or some other combination thereof, may be used together.

Federal Historic Rehabilitation Tax Credit Program
State Commercial Tax Credit Program
State Residential Tax Credit Program

OLG and DCRRT Strategic Plan
2014-15 Through 2018-19

LOUISIANA CULTURAL RESOURCES SURVEY
LOUISIANA STATE PLAN (SHIP)
EDUCATIONAL RESOURCES

Federal Historic Preservation Tax Credit
State Commercial Tax Credit
State Residential Tax Credit
Federal 10% Credit for Non-Historic Buildings

SECRETARIES OF THE INTERIOR'S STANDARDS FOR REHABILITATION
FREQUENTLY ASKED QUESTIONS

did you know?
Quality - Louisiana State Museums
96% of State Museum’s visitors would recommend the museum to their friends.
DIVISION OF HISTORIC PRESERVATION
TAX INCENTIVES
SECRETARY OF THE INTERIOR’S STANDARDS FOR REHABILITATION

The Secretary of the Interior’s Standards for Rehabilitation provide a list of ten guidelines that must be met when rehabilitating a historic property for its new, modern use. Following these Standards ensures that the historic character of the property is maintained but that it will be safe and comfortable for its current inhabitants. There is a wealth of guidance available for the interpretation of these Standards. Every Part 2 or Part B that is submitted to the Louisiana Division of Historic Preservation is reviewed for conformance with these Standards.

In Louisiana, we see a number of the same Standards issues time and time again. When planning your rehabilitation project, make sure to keep the following in mind:

- Spray foam insulation is rarely approved as an appropriate insulation treatment.
- Historic windows should be retained and repaired, rather than replaced.
- The use of a replacement siding material on the facade is not approved.
- Sand blasting and other forms of abrasive cleaning are rarely, if ever, approved.
- Patchy plaster finishes are not approved. Historic plaster over brick, even fireplaces, must be retained.
- The first rooms in a shotgun-style house must remain unaltered.
- Sealsers applied to masonry must be breathable and have a matte finish.

### Table: Standards for Rehabilitation

<table>
<thead>
<tr>
<th>Accessibility</th>
<th>Accessory Buildings</th>
<th>Architectural Character</th>
<th>Door Openings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency</td>
<td>Exterior Design Issues</td>
<td>Exterior Maintenance</td>
<td>Gas Stations</td>
</tr>
<tr>
<td>Masonry</td>
<td>HVAC Systems</td>
<td>Interior Design/Maintenance Issues</td>
<td>Landscapes</td>
</tr>
<tr>
<td>Log Buildings</td>
<td>Mold/Insulation</td>
<td>New Additions</td>
<td>Parking</td>
</tr>
<tr>
<td>Porches</td>
<td>Roofing</td>
<td>School Buildings</td>
<td>Shotgun Floorplans</td>
</tr>
<tr>
<td>Signs and Awnings</td>
<td>Storefronts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Accessibility

- Preservation Brief 32: Making Historic Properties Accessible
- Interpreting the Standards 53: Designing New Additions to Provide Accessibility
- Codes and Regulatory Requirements for Rehabilitating Historic Buildings

#### Accessory Buildings

- Preservation Brief 29: The Preservation of Historic Barns

#### Architectural Character

- Preservation Brief 17: Architectural Character—Identifying the Visual Aspects of Historic Buildings as an Aid to Preserving Character
Certified Local Governments & Main Street Communities
Ray Scriber
Louisiana Main Street Director
Certified Local Governments
Certified Local Governments

The Partners

- Federal
- State
- Local
- Citizen
The Purpose

To promote historic preservation at the grassroots level across the nation by:

• Developing and maintaining local historic preservation programs that will influence the zoning and permitting decisions critical to preserving historic properties

• Ensuring the broadest possible participation of local governments in the national historic preservation program while maintaining preservation standards established by the Secretary of the Interior
Certified Local Governments

The Benefits

- Training for Historic District Commissions
- Technical Support from Division of Historic Preservation staff
- Eligibility for grant funds
Certified Local Governments

The Grants

Project Types:

- Architectural, historical, archaeological surveys
- Preparation of nominations to National Register
- Research & development of historic context information
- Staff work for historic preservation commissions
- Architectural, historical, archaeological surveys
- Writing or amending preservation ordinances
- Preparation of preservation plans
- Public information and education activities
- Development of publication of walking/driving tours
- Development of slide/tape shows, videotapes
- Training for commission members and staff
- Development of architectural drawings and specifications
- Preparation of façade studies or condition assessments
- Development of master plans
- Development of landscape architecture drawings
Certified Local Governments

The Responsibilities

• Enforce appropriate legislation for the designation and protection of historic properties

• Establish and maintain a qualified historic preservation commission

• Maintain a system for identifying historic properties

• Provide for public participation in the local historic preservation program

• Perform other agreed upon functions delegated to it by the State Historic Preservation Officer
Certified Local Governments

More info:
www.louisianahp.org
www.cr.nps.gov/hps/clg
www.legis.state.la.us

Artwork from Picturing A Perfect World - The Paintings of R. Kenton Nelson
MEET THE NEIGHBORS ON MAIN ST.

LOUISIANA
About 90 percent of all dollars earned in a community were spent in the community.

Trade area - 15 miles
Interstate Highway Act of 1956
Today's trade area - more than 50 miles
THE MAIN STREET APPROACH

DESIGN

ORGANIZATION

PROMOTION

ECONOMIC VITALITY
Organizational Structure:

• Municipal Government
  -or-
• Stand-Alone Non-Profit
  -or-
• Program of Existing Non-Profit

Requirements:

• Paid Main Street Director
• Board of Directors
DeRidder
Plaquemine
Bastrop 2001
New Iberia 1996
Winnsboro
Winnsboro
Why are Downtowns Important?

- Downtown is a symbol of community economic health, local quality of life, pride and community history.
- A vital downtown retains and creates jobs, which also means a stronger tax base.
- Downtown is a good incubator for new small businesses.
- A vital downtown reduces sprawl.
- A healthy downtown protects property values.
- Downtown districts become tourist attractions.