

Historic Preservation Toolbox

Regulatory and Financial

Public

- *National Register (Financial, Non-regulatory)*: National Register nomination is largely honorific and non-regulatory, but opens the door to state and federal tax credits for investments in the rehabilitation of historic properties. These tax credits are generally available to properties that are individually listed on the National Register or contributing structures in a National Register district. Certified rehabilitations do require adherence to the *Secretary of the Interior's Standards for Historic Rehabilitation*. Furthermore, National Register listing does trigger Section 106 reviews for federal projects in the vicinity of historic resources. While generally protective, the designation can increase the cost of CDBG projects and subject them to meeting the Secretary of the Interior's Standards in a National Register District.
 - https://www.nps.gov/nr/publications/bulletins/nrb30/nrb30_8.htm
 - <https://www.nps.gov/nr/publications/bulletins/nrb15/>

- ❖ *Federal Tax Credits (Income-producing)*: A 20% federal income tax credit can be claimed over five years for qualified rehabilitation expenditures for certified rehabilitations of certified historic income-producing properties. No federal tax credit is available for non-income producing properties.
 - <https://www.nps.gov/tps/tax-incentives.htm>
 - <https://www.nps.gov/tps/tax-incentives/before-you-apply.htm>
 - <https://www.nps.gov/tps/tax-incentives/taxdocs/about-tax-incentives-2012.pdf>

- ❖ *NC State Tax Credits (Income-producing)*: The North Carolina State Historic Preservation Tax credit has a base amount of 15% for the first \$10 million of certified rehabilitation expenditures for income-producing properties, and a 10% tax credit for certified rehabilitation expenditures for the next \$10 million. There are no additional state tax credits for certified rehabilitation expenditures above \$20 million. There is also a 5% targeted investment bonus for manufacturing or agricultural properties at least 65% vacant for two years preceding eligibility certification. There is an additional 5% available for projects in Tier 1 or Tier 2 counties, but Cabarrus is Tier 3, so properties in Concord would not be eligible for this additional 5% tax credit at this time.
<https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/restoration-3>

- ❖ *NC State Tax Credits (Non-income-producing)*: For non-income producing structures, rehabilitation expenditures must exceed \$10,000 in a 24-month period to receive a 15% state income tax credit. Eligible rehabilitation expenses are limited to \$150,000.
<https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/restoration-4>

- *Local Historic District (Regulatory, Non-financial)*: Although there are no direct financial benefits, like tax credits or deferments, from being in a local historic district, there have been several studies that talk about the economic benefits from higher property values. Local historic districts establish a review process for exterior changes to property and enable the Historic Preservation Commission to delay a demolition for up to 365 days.
 - <https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/local-historic-8>
 - <https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/local-historic-2>
- *Local Landmark (Regulatory, Financial)*: Local landmarking is a tool for individual properties that applies the same level of review as for structures in a local historic district with regard to exterior changes and delays of demolition. However, landmark designation is also accompanied by a 50% local property tax deferment.
 - <https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/local-historic-8>
 - <https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/local-historic-2>
- *Neighborhood Conservation District (Regulatory, Non-Financial)*: A neighborhood conservation district could establish form-based elements that apply to a particular neighborhood, which would apply to new construction, but not to external changes to existing properties. These can help with historic preservation by disincentivizing drastic changes in lot size or structure shape. No direct demolition controls accompany neighborhood conservation districts.
 - <https://www.presnc.org/neighborhood-conservation-overlay-districts/>
- *Demolition by Neglect (Regulatory, Non-financial)*: For structures located in the historic preservation overlay district, which would include the local historic district and local landmarks, the demolition by neglect (or prevention of demolition by neglect) enables the police department to fine property owners for not keeping up their historic structure.
 - https://library.municode.com/nc/concord/codes/code_of_ordinances?nodeId=PTIICOOR_CH14BUBURE_ARTIIIPRDENEUBUSTHIDI

Public/Private

- *Grants (Financial, Contractual)*: Some grant funding may be available from foundations particularly geared towards non-profits or religious institutions. Grants targeting rehabilitations of owner-occupied structures are pretty rare. The Concord Downtown Development Corporation has grant funds for a variety of activities within the Municipal Services District:
 - <https://www.concordnc.gov/Departments/Economic-Development/Incentives-Taxes/Downtown-Grants> and <https://www.concorddowntown.com/BusinessResources/Grants>
- *Revolving Funds (Financial, Contractual)*: Non-profits and local governments can sometimes use revolving funds with low interest rates to spur investment in properties and close funding gaps.

Some revolving funds are used for acquisition (acquisition funds) while others are geared towards providing supplementary funding for rehabilitations.

- Analysis: https://repository.upenn.edu/cgi/viewcontent.cgi?article=1175&context=hp_theses
- *Acquisition (Operational)*: Non-profits and local governments can sometimes acquire historic properties. Local governments recently received the ability to use receivership for vacant problem properties in North Carolina. Additionally, a state statute also gives historic preservation commissions the ability to acquire and rehabilitate historic properties. Preservation North Carolina uses a system of acquiring options to place easements/restrictive covenants on historic properties. Local governments also have the ability to sell or donate surplus property, such as public buildings, schools, etc. to preservation organizations to dispose of under NCGS 160A-266(b).
 - Receivership: <https://canons.sog.unc.edu/receivership-a-new-tool-for-addressing-vacant-problem-properties-in-north-carolina/>
 - *Buying Time for Heritage*
 - <https://www.sog.unc.edu/sites/www.sog.unc.edu/files/Property%20Disposal%20Options%20Chart.pdf>
- *Historic Preservation Easements (Financial, Contractual)*: Perpetual easements offer lasting protections for historic properties. “An easement is a legal agreement between a property owner and a qualified preservation organization or public agency, in which the property owner (the grantor/donor) promises to protect the property’s historic integrity without inappropriate alterations, additions, or demolition, and the organization or public agency (the recipient/donor) is granted the right to enforce the covenants of the easement and to monitor the property....” (*Buying Time for Heritage* 89). There can be tax deductions for historic preservation easements.
 - *Buying Time for Heritage*
 - <https://www.nps.gov/tps/tax-incentives.htm>
 - <https://www.nps.gov/tps/tax-incentives/taxdocs/easements-historic-properties.pdf>

Other Online Resources

National Trust Best Practices Toolkit for Historic Preservation and Redevelopment:

<https://docs.google.com/viewerng/viewer?url=https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/tool-natl-trust-hist-prsrv.pdf>

CDBG and Historic Preservation: <https://www.law.cornell.edu/cfr/text/24/570.202>

https://www.hud.gov/sites/documents/DOC_13716.PDF

Preservation Briefs: <https://www.nps.gov/tps/how-to-preserve/briefs.htm>

Interpreting the Standards: <https://www.nps.gov/tps/standards/applying-rehabilitation/standards-bulletins.htm>

Secretary of the Interior's Standards: <https://www.nps.gov/tps/standards.htm>

National Register Bulletin: <https://www.nps.gov/nr/publications/bulletins/nrb15/>

NC State Historic Preservation Office: <https://www.ncdcr.gov/state-historic-preservation-office>

National Trust: <https://savingplaces.org/>

Preservation North Carolina: <http://www.presnc.org/>

Measuring the Economics of Preservation: <http://www.placeeconomics.com/resources/measuring-the-economics-of-preservation-recent-findings/>

Atlas of ReUrbanism: <https://forum.savingplaces.org/act/research-policy-lab/atlas>

Preservation and Equity:

https://repository.upenn.edu/cgi/viewcontent.cgi?article=1576&context=hp_theses

https://ppgbuffalo.org/files/documents/equity_preservation_final_report.pdf

Southeast Chapter of the Society of Architectural Historians: <http://sesah.org/>

NC Main Street Center: <https://www.nccommerce.com/rd/main-street-rural-planning>

North Carolina Department of Natural and Cultural Resources Preservation Resources:

https://www.ncdcr.gov/state-historic-preservation-office/architectural-surveys-and-national-register-historic-places-7#Local_Orgs

Vernacular Architecture Forum: <http://www.vafweb.wildapricot.org/>

National Alliance of Preservation Commissions: <https://napcommissions.org/>

Historic Preservation Directory Grant Funding Sources:

<https://www.preservationdirectory.com/PreservationGeneralResources/GrantsFundingSources.aspx>