Jordan E. Tannenbaum
Vice Chairman

Reid J. Nelson
Executive Director, Acting

September 7, 2021

The Honorable Richard Neal, Chairman
Committee on Ways and Means
U.S. House of Representatives
Longworth House Office Building
Washington, DC 20515

The Honorable Kevin Brady, Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Longworth House Office Building
Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady:

Acting as chairman of the Advisory Council on Historic Preservation (ACHP) during that position's current vacancy, I am writing to express the ACHP's support for including the provisions of the Historic Tax Credit Growth and Opportunity (HTC-GO) Act (H.R. 2294) in the legislation being developed as part of the budget reconciliation process. Established by the National Historic Preservation Act of 1966, the ACHP is the independent federal agency charged with advising the President and Congress on matters relating to historic preservation.

The existing Historic Tax Credit (HTC) is one of the most important federal incentives for the preservation of historic buildings. As you know, this 20 percent credit supports projects that rehabilitate income-producing historic buildings–commercial and industrial buildings, hotels, apartment buildings, residential rental properties, and other key contributors to our economy and our communities–while ensuring that their historic character is preserved. It has, since its inception in 1976, leveraged more than $109.18 billion in private investment in the rehabilitation of historic properties. Results include more than 297,000 rehabilitated housing units, 323,000 new housing units, and 178,000 low- and moderate-income housing units, and the creation of more than 2.786 million jobs.

The provisions of the HTC-GO Act would make this important tax credit even more effective, addressing current economic conditions and further incentivizing the preservation of historic buildings throughout America. In response to the negative economic impacts of COVID-19 on real estate development, the bill proposes temporary phased increases of the HTC through 2026. The HTC-GO Act also would make the HTC more impactful in situations where it can be most needed. Small projects (with qualified rehabilitation expenses of $2.5 million or less) would be eligible for an increased credit of 30 percent. Other changes in the administrative provisions of the HTC would do the following: make it easier to pair the HTC with the Low-Income Housing Tax Credit, thus promoting reuse of historic properties for affordable housing; expand the number of projects financially eligible to take the HTC; and make the credit easier to use by nonprofits, which often use the HTC to create new community assets that become catalysts for increased investment in economically distressed areas.

Enhancing the HTC through these changes could have a particularly positive effect in disinvested areas. According to the National Park Service, 47 percent of HTC projects already occur in low-and moderate-income census tracts and 74 percent in economically distressed areas as of FY 2019.

ADVISORY COUNCIL ON HISTORIC PRESERVATION
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The provisions of the HTC-GO Act would further augment the HTC's already considerable impact as a catalyst for community redevelopment and the preservation of historic properties. The ACHP urges inclusion of these provisions in budget reconciliation legislation.

Please feel free to contact me if the ACHP can be of any assistance, or your staff may wish to follow up with acting ACHP Executive Director Reid Nelson at rnelson@achp.gov. Thank you.

Sincerely,

Jordan E. Tannenbaum

Jordan E. Tannenbaum
Vice Chairman