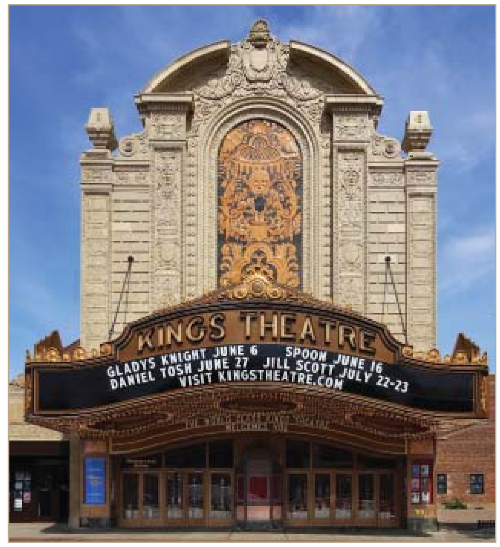

Federal Tax Incentives for Rehabilitating Historic Buildings

Statistical Report and Analysis
for Fiscal Year 2015

The Federal Historic Preservation Tax Incentives Program, administered by the National Park Service in partnership with the State Historic Preservation Offices, is the nation's most effective Federal program to promote community revitalization and encourage private investment through historic building rehabilitation.

Since the program's inception in 1976, the tax incentives have spurred the rehabilitation of historic structures of every period, size, style, and type. The incentives have been instrumental in preserving the historic places that give our cities, towns, and rural areas their special character and have attracted new private investment to our Main Streets and historic cores of our urban areas alike.

The tax incentives also generate jobs, enhance property values, create affordable housing, and augment revenues for Federal, state, and local governments. Through this program, vacant or underutilized schools, warehouses, factories, apartments, churches, retail stores, hotels, houses, farms, and offices throughout the country have been restored to life in a manner that maintains their historic character.

The historic tax credit applies specifically to income-producing historic properties, and throughout its history it has leveraged many times its cost in private expenditures on historic preservation. This program is the largest Federal program specifically supporting historic preservation, generating over $78 billion in historic preservation activity since 1976. During Fiscal Year (FY) 2015, the National Park Service approved 1,283 proposed projects (Part 2 applications) representing an estimated $6.63 billion of investment to restore and rehabilitate historic buildings.

Over 41,000 projects to rehabilitate historic buildings have been undertaken since the first project using the historic tax incentives was completed in 1977. Rehabilitation work has taken place in all 50 states, the District of Columbia, the Virgin Islands, and Puerto Rico. The completed projects have brought new life

(continued next page)

U.S. Department of the Interior, National Park Service
Technical Preservation Services, Washington, DC

March 2016

to deteriorated business and residential districts, created new jobs and new housing, and helped to ensure the long-term preservation of irreplaceable cultural resources.

In 1986, Congress amended the Federal Tax Code establishing the 20% historic tax credit that remains in effect today. Program activity in the 1990s reached record highs in the amount of investment dollars, before declining during the recent recession. With the economy in general, and the real estate market in particular, rebounding in recent years, the amount of rehabilitation investment in proposed projects exceeded $6.6 billion for the second time in program history. The average investment in completed certified projects (Part 3 applications) in FY 2015 was $4.47 billion, the second highest in program history.

The National Park Service review of project applications is undertaken by the Technical Preservation Services office in Washington, DC. For improved customer service, Technical Preservation Services continues to enhance its website, <*http://www.nps.gov/tps*>,where applicants, State Historic Preservation Offices, and others can check the status of projects online and find other information on the program. In addition, the certification application, guidance on applying the Secretary of the Interior's Standards for Rehabilitation, and technical information concerning the treatment of historic buildings are available on the website.

This statistical report and analysis was prepared by Kaaren Staveteig of the Technical Preservation Services office. Questions regarding the data and analysis may be addressed to Ms. Staveteig by e-mail at <kaaren_staveteig@nps.gov>. Special thanks are due to the staff of Technical Preservation Service for their assistance in the preparation of this report, particularly Charles Fisher, Michael Auer, and Liz Petrella, and to Brian Goeken, Chief, Technical Preservation Services.

Technical Preservation Services
March 2016

> "Love the program! It has made revitalization of blighted areas possible. This could not be done without the tax credits."
>
> *Property owner, Dubuque, IA*

Highlights for FY 2015*

Investment in historic rehabilitation	*Part 2 (proposed)*	*Part 3 (completed)*
Rehabilitation costs	$6.63 billion	$4.47 billion
Median cost of projects	$937,865	$950,000
Number of approved applications	1,283	870

Number of housing units sets new record	
Number of housing units	23,569
Rehabilitated housing units	8,608
New housing units	14,961
New low and moderate income housing units	8,096

*Job creation remains strong***	
Average number of local jobs created per project	98
Estimated number of local jobs created	85,058

Program Accomplishments 1977-2015

Number of historic rehabilitation projects certified	41,254
Rehabilitation investment	$78.3 billion
Rehabilitated housing units	264,602
New housing units	263,264
Low and moderate income housing units	146,074
Estimated total number of total jobs created**	2.36 million

** Statistics used in this report are based on the Part 1, 2 and 3 Historic Preservation Certification Applications and the voluntary User Profile and Customer Satisfaction Questionnaire. All rehabiltation costs are estimated as reported by the applications.*

***Jobs numbers are based on a National Park Service-funded study of the economic impacts of the historic tax credits by the Rutgers University Center for Policy Research.*

Federal Tax Incentives For Rehabilitating Historic Buildings 1977-2015

Approved Proposed Projects (Part 2 applications)

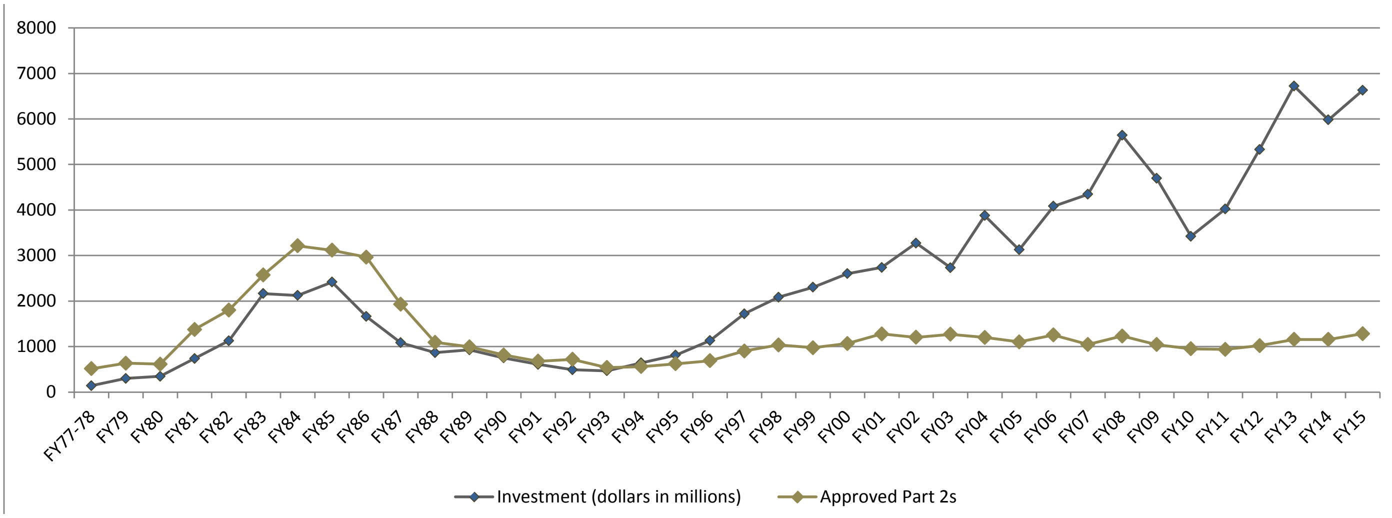

Figure 1. Note: Investment dollars above are not adjusted for inflation.

Reopening Hotel Doors

Floridan Hotel, Tampa, FL

Vacant hotels are being rehabilitated utilizing the Federal historic tax credit, creating jobs and economic activity, returning these buildings back to productive use. The tallest building in Florida for many years, the Floridan Hotel opened in 1927 and soon became a popular gathering place in Tampa. By 1989, the hotel had closed and went through a succession of ownership changes. Still vacant when purchased by a local developer in 2005, a $15 million rehabilitation has brought back its former glory. Work has included restoration of the well-known Crystal Lounge dining room and the re-erection of the historic rooftop sign found stored on the property. The 213-room Floridan Palace Hotel once again is providing an economic boost to the city.

Photos: NPS files.

The Southern Hotel, Covington, LA

Opened in 1907, this Mission Revival-style hotel in Covington, LA, soon became a prominent health retreat. It later served as county offices , but in 2005 was damaged by Hurricane Katrina. Unoccupied when purchased in 2011 by two local families, the Southern Hotel re-opened its doors in 2014 following a multi-million dollar rehabilitation. Work included exterior repairs and retention of historic wood windows, installation of new mechanical systems, and refurbishing non-historic interior features and finishes. The boutique hotel offers 42 guest rooms, banquet facilities, and a Southern bistro, providing what city officials view as a huge economic stimulus to Covington.

Preservation Tax Incentives Project Activity

As the real estate market and the economy, in general, recovers from the past recession, the historic tax credit has been a catalyst for continued economic growth. Total estimated investment in proposed rehabilitation projects was $6.63 billion in FY 2015, the second highest in the program's history, and the median investment in proposed rehabilitation projects was $937,865.

The tax incentives program remains an outstanding means of leveraging private investment in the adaptive reuse and preservation of historic buildings. The program continues to help stimulate economic recovery in older communities, both large and small, throughout the nation, and created an estimated 85,058 jobs last year.

Table 1: Projects & Estimated Expenses (Part 2 applications): FY 2011-2015

	FY11	FY12	FY13	FY14	FY15
Approved Projects (Part 2s)	937	1,020	1,155	1,156	1,283
Rehabilitation Expenses (in millions)	$4,023	$5.33	$6.73	$5.98	$6.63
Maximum Amount of Credit (in millions)	$805	$1,066	$1,346	$1,196	$1,326
Median Expense/Project	N/A	$600,000	$770,000	$989,464	$937,865
Average Credit/Project (approx.)	N/A	$120,000	$154,000	$197,892	$187,573

Size of Approved Project

Two major events have impacted the tax incentives program in the past 25 years. Changes in Federal tax law in 1986 led to a dramatic decline between FY 1989 and FY 1993 in the reported investment in new historic rehabilitation projects throughout the country. This trend reversed, starting in FY 1994, as the number of new projects steadily increased and the amount of investment in new projects reached a then-record high in FY 2008. The downturn in the economy during the recent recession resulted in a decline of nearly 25% in the number of approved projects over the suceeding three years, and a major reduction in investment dollars, including a 65% drop in just two years. Project activity has rebounded in the past four years, with a 26% increase in the number of approved projects in FY 2012-2015 and an increase of 24% in investment dollars. In FY 2015, the $6.63 billion in investment dollars (Part 2 approved applications for proposed projects) was the second highest in program history.

Table 2: Size of Approved Rehabilitation Projects (Part 2s) as Percentage of Total Cost

COST	FY11	FY12	FY13	FY14	FY15
Less than $20,000	1%	2%	0.5%	0.5%	0.5%
$20,000-$99,999	7%	9%	9%	9%	8%
$100,000-$249,999	13%	12%	16%	16%	15%
$250,000-$499,999	18%	10%	14%	13.5%	13.5%
$500,000-$999,999	12%	18%	16%	11%	14%
$1,000,000 and over	49%	49%	44.5%	50%	49%
TOTAL	100%	100%	100%	100%	100%

Certifications of Significance

Certification of Historic Significance (Part 1 applications) is the first step in establishing eligibility for the historic tax credit, and is an early economic indicator for future rehabilitation project activity. A building must be individually listed in the National Register of Historic Places or be certified as contributing to a registered historic district in order to qualify for the 20% credit. This year, 1,491 properties were approved for a Certification of Historic Significance, which is an 8% increase over the previous year and consistent with the recent growth in new projects. The National Park Service also certifies buildings as nonsignificant, i.e., not contributing to a National Register historic district. A nonsignificant building built before 1936 can qualify for a 10% tax credit if it is rehabilitated for income-producing, non-residential purposes. The National Park Service certifies state and local historic districts that are not listed in the National Register. This allows buildings in these districts to also qualify for tax credits. In addition, Part 1 submissions are certified when the applicant is seeking a charitable donation for a historic preservation easement. In such a case, no Part 2 or 3 submissions are necessary. In FY 2015, there were 8 Certifications of Significance for easement purposes.

Approvals of Proposed Rehabilitation Work

All owners of a certified historic structure who are seeking the 20% tax credit for rehabilitation work must complete a Part 2 application form, which is a description of the proposed rehabilitation work. Long-term lessees may also apply if their remaining lease term is more than 27.5 years for residential property or more than 39 years for nonresidential property. The owner submits the application to the State Historic Preservation Office (SHPO). The SHPO provides technical assistance and guidance on appropriate rehabilitation treatments, advises owners on their applications, makes site visits when possible, and forwards submitted applications to the NPS, with a recommendation. The NPS reviews the description of the proposed rehabilitation for conformance with the Secretary of the Interior's Standards for Rehabilitation. The entire project is reviewed, including related demolition and new construction, and the project is approved only if the overall rehabilitation project meets the Standards. The proposed work may also be given a conditional approval that outlines specific modifications to bring the project into conformance with the Standards. The NPS strongly encourages owners to submit for review before work is undertaken.

Certified Rehabilitation Projects

Certifications of completed projects (Part 3 applications) are issued only when all work has been finished on a certified historic building or building complex. These approvals are the last administrative action taken by the National Park Service for projects eligible for the historic rehabilitation tax credit. Estimated certified rehabilitation costs in FY 2015 were nearly $4.47 billion, a 3.5% increase over the previous year.

Table 3: Comparisons of Proposed Projects (Part 1s and 2s) Received & Approved and Completed Projects (Part 3s) Received and Certified: FY 2010-2015

	FY11	FY12	FY13	FY14	FY15
Part 1s Received	1,140	1,222	1,323	1,478	1,616
Part 1s Approved	1,058	1,171	1,269	1,377	1,491
Part 2s Received	1,006	1,190	1,208	1,291	1,416
Part 2s Approved	937	1,020	1,155	1,156	1,283
Part 3s Received	733	792	838	779	966
Part 3s Certified	711	744	803	762	870

Project review by the National Park Service typically extends over more than one fiscal year, accounting for some of the differences in the number of Part 2s and Part 3s received and approved in any given year (see Table 3). Other factors include projects with pending approvals, phased projects, withdrawn projects, and those not approved. The National Park Service generally makes final decisions on certification within 30 days of receipt of a complete application and payment of a processing fee. However, more time may be required if the information provided by the owner is incomplete or treatments do not meet the Standards.

Estimated rehabilitation costs on Part 2 applications are for proposed rehabilitation work. While work usually is completed within 24 months, projects can be phased under a special 60-month provision, or otherwise delayed because of financing or other reasons. Thus, these figures cannot be relied upon for actual costs or activity in any given year. Certified rehabilitation costs, reported on the Part 3 application form, represent the estimated amount reported by the applicant to be claimed as qualifying costs associated with the rehabilitation. These costs do not include new construction and other work ineligible for the credit.

Table 4: Rehabilitation Investment (Part 2s/Part 3s) Since the Tax Reform Act of 1986

	FY86	FY87	FY88	FY89	FY90	FY91	FY92	FY93	FY94	FY95
Estimated Rehab Costs (in millions)	$1,661	$1,083	$865	$927	$750	$608	$491	$468	$641	$812
Certified Rehab Costs (in millions)	N/A	N/A	N/A	N/A	N/A	N/A	$735	$547	$483	$569
	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05
Estimated Rehab Costs (in millions)	$1,130	$1,720	$2,085	$2,303	$2,602	$2,737	$3,272	$2,733	$3,877	$3,127
Certified Rehab Costs (in millions)	$757	$688	$694	$945	$1,676	$1,663	$2,110	$2,859	$2,204	$2,491
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Estimated Rehab Costs (in millions)	$4,082	$4,346	$5,641	$4,697	$3,421	$4,023	$5,330	$6,726	$5,982	$6,630
Certified Rehab Costs (in millions)	$2,776	$2,988	$3,272	$4,539	$3,438	$3,473	$3,155	$3,390	$4,324	$4,474

Investment Activity on a State-by-State Basis

Comparisons of state-by-state activity may be made by referring to the chart on the next page. Project activity occurred in 47 states, and the District of Columbia, with Alaska, Idaho, Hawaii, the Virgin Islands and Puerto Rico reporting no projects in FY 2015.

Table 5: FY2015 State-by-State Project Activity and Estimated Qualified Rehabilitation Expenditures (QRE)

STATE	Part 1 R*	Part 2 R*	Part 3 R*	Part 1 A**	Part 2 A**	Part 3 A**	Estimated QRE at Part 2	Estimated QRE at Project Completion (Part 3)
AK	0	0	0	0	0	0	$0.00	$0.00
AL	14	20	5	15	17	5	$65,556,750.00	$19,821,608.00
AR	45	32	12	46	36	13	$63,312,000.00	$11,288,713.00
AZ	7	8	2	8	5	1	$19,250,000.00	$2,000,000.00
CA	13	7	8	12	6	9	$276,229,107.00	$208,701,891.00
CO	4	3	2	4	2	3	$798,000.00	$71,265,380.00
CT	21	17	18	20	18	7	$96,071,206.00	$95,676,126.00
DC	3	3	3	3	3	3	$12,298,327.00	$25,813,998.00
DE	3	3	1	3	4	1	$17,772,409.00	$395,346.00
FL	29	15	6	23	15	6	$89,267,000.00	$47,016,078.00
GA	69	50	22	54	35	22	$45,710,972.00	$41,707,342.00
HI	0	0	0	0	0	0	$0.00	$0.00
IA	41	26	29	35	20	26	$189,559,215.00	$102,792,914.00
ID	0	0	0	0	0	0	$0.00	$0.00
IL	40	32	12	40	28	13	$276,781,924.00	$189,082,928.00
IN	27	12	14	19	9	13	$43,078,707.00	$86,064,657.00
KS	9	8	9	8	12	9	$15,000,035.00	$32,771,697.00
KY	36	27	28	36	31	29	$86,340,973.00	$34,586,413.00
LA	167	141	135	164	146	127	$280,454,183.00	$238,595,740.00
MA	51	56	55	46	52	54	$283,715,371.00	$275,533,230.00
MD	41	49	44	39	49	40	$86,908,541.00	$49,038,593.00
ME	15	17	15	15	19	14	$117,760,358.00	$49,748,254.00
MI	29	21	29	30	20	28	$102,965,789.00	$266,133,287.00
MN	30	23	12	28	23	12	$121,016,510.00	$209,763,742.00
MO	135	120	67	110	115	66	$397,159,471.00	$190,261,037.00
MS	24	19	18	21	19	16	$53,110,924.00	$19,137,951.00
MT	5	3	1	5	3	1	$2,140,000.00	$305,272.00
NC	74	59	49	77	52	49	$205,965,365.00	$130,071,315.00
ND	0	1	0	0	0	1	$0.00	$10,721,641.00
NE	10	16	7	10	16	4	$76,611,468.00	$40,332,771.00
NH	0	1	1	0	1	2	$450,000.00	$16,143,443.00
NJ	7	8	5	6	3	5	$158,700,000.00	$29,729,952.00
NM	0	0	1	0	0	1	$0.00	$5,560,194.00
NV	0	1	0	0	0	0	$0.00	$0.00
NY	130	72	34	128	63	35	$563,819,597.00	$543,830,745.00
OH	141	160	108	129	143	51	$699,871,523.00	$395,549,874.00
OK	21	23	11	20	20	8	$59,533,920.00	$71,958,881.00
OR	2	9	6	2	8	4	$38,848,885.00	$53,730,251.00
PA	41	56	27	40	41	31	$397,555,947.00	$249,482,533.00
PR	0	0	0	0	0	0	$0.00	$0.00
RI	10	9	11	7	7	11	$84,045,883.00	$71,076,113.00
SC	23	17	11	19	15	13	$113,637,358.00	$26,605,134.00
SD	5	3	0	3	1	1	$300,000.00	$3,500,000.00
TN	12	15	8	8	5	8	$50,554,225.00	$30,935,838.00
TX	36	22	2	27	19	3	$622,453,400.00	$31,522,296.00
UT	4	3	4	4	3	3	$13,500,000.00	$816,641.00
VA	153	153	97	143	130	87	$324,070,708.00	$391,388,782.00
VI	0	0	0	0	0	0	$0.00	$0.00
VT	12	10	19	12	11	17	$7,071,080.00	$37,847,464.00
WA	14	13	4	11	12	4	$109,600,267.00	$20,318,463.00
WI	46	43	11	44	43	12	$359,583,100.00	$39,283,911.00
WV	16	9	3	16	2	2	$1,944,000.00	$6,752,102.00
WY	1	1	0	1	1	0	$600,000.00	$0.00
TOTAL	1616	1416	966	1491	1283	870	$6,630,974,498.00	$4,474,660,541.00

* Received ** Approved

In FY 2015, Louisiana claimed the top spot for the most projects (Part 2s and 3s). The four states with the most rehabilitation activity were Louisiana (164), Ohio (143), Virginia (130), and (Missouri (115).

Twenty-two states had more proposed projects approved in FY 2014 than in FY 2015. These states are Arkansas, Arizona, California, Connecticut, Delaware, Florida, Illinois, Kansas, Louisiana, Massachusetts, Maine, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Pennsylvania, Texas, Virginia, Washington, Wisconsin, and West Virginia.

Denials and Appeals

Projects are denied certification by the National Park Service if the rehabilitation work does not preserve the historic character of the building. Meeting the Secretary of the Interiors Standards for Rehabilitation is the basis for this determination. The Internal Revenue Service disallows the tax credit for projects without certification. If a project is denied certification, the owner may appeal the decision to the National Park Service's Chief Appeals Officer.

In FY 2015 1,616 certifications of significance (Part 1s) were approved and 42 were denied. For rehabilitation projects, 31 were denied certification (Part 2s and/or 3s). A large number of the denials involved rehabilitation projects where work was substantially underway or complete prior to review by the National Park Service. Twenty-six denials were appealed to the Chief Appeals Officers in FY 2015, with 25 being heard. (Appeals are not necessarily heard in the same fiscal year as the projects were denied. The data presented here refers to appeals heard during FY 2015.) During the year, 40 appeals were decided. Of these, 9 denials were overturned, 14 were upheld outright, 8 were upheld with conditions, 6 were closed/withdrawn, and 3 were denied hearings due to untimely filing. Even if denied, an appellant may still be able to make changes to bring a project into conformance with the Secretary's Standards and then resubmit the project for further consideration regarding certification.

Table 5: Denials and Appeals (Parts 1,2 and 3): FY 2006-2015

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Initial Denials	48	52	43	54	49	39	60	60	63	73
Appeal Decisions	20	23	19	30	31	33	32	31	31	40

Ownership of Certified Rehabilitation Projects

Information collected from the voluntary User Profiles and Customers Satisfaction Questionnaires sent to property owners post-certification indicates that the limited liability company form of ownership continues to be the most common, and is used in almost two-thirds of all projects.

Table 6: Type of Ownership in FY 2015 (Part 3s)

Individual	Corporation	General partnership	Limited partnership	Limited liability company	TOTAL
16%	8%	0.5%	15.5%	60%	100%

Size of Completed Projects

Table 7 shows the breakdown of projects by the amount of rehabilitation investment. Historic tax credit projects are not all large projects, which is a common misconception of the program. In FY 2015, 13% of all projects were under $100,000, 25% of all projects were betweem $100,000 and $500,000, and the majority of all projects (61%) were less than $1 million in costs.

Table 7: Comparison of Percentage of All Certified Projects (Part 3s) in Each Size Category: FY 2011-2015

	<$20,000	$20,000-$99,999	$100,000-$249,999	$250,000-$499,999	$500,000-$999,999	>$1,000,000	TOTAL
FY15	1%	12%	10%	15%	17%	39%	100%
FY14	1%	11%	14%	13%	17%	44%	100%
FY13	1%	7%	23%	15%	13%	41%	100%
FY12	0.5%	9%	16%	13%	13%	48.5%	100%
FY11	0.5%	8%	13%	19%	15.5%	44%	100%

Primary Uses of Rehabilitated Properties

The following table (Table 9) shows the final primary use of projects certified over the past five fiscal years, as drawn from customer questionnaires. Of projects reporting housing as the final primary use, 72% were for multiple-family housing.

Table 9: Uses of Certified Rehabilitation Projects (Part 3s): FY 2011-2015

	FY11	FY12	FY13	FY14	FY15
Housing	69%	47%	46%	42%	50%
Office	16%	21%	21%	18%	21%
Commercial	3%	16%	19.5%	25%	14%
Other	12%	16%	13.5%	15%	15%

Housing and Preservation

The tax incentives program has been an invaluable tool in both the revitalization of historic communities and neighborhoods and in increased public awareness of the importance of preserving tangible links to the nation's past. In many cases, the rehabilitation of one key building has resulted in the rehabilitation of adjacent buildings.

Housing has been the single-most important use for rehabilitated historic buildings under the program. Over the past five years, between 42% and 69% of the projects have included housing. Since the program began, the National Park Service has approved the proposed rehabilitation of an estimated 264,602 housing units and the creation of an estimated 263,264 new units. In FY 2015 a reported 23,569 housing units were approved, including 8,608 housing units rehabilitated and 14,961 new units. Table 10 shows the total number of housing units reported as part of proposed projects, including rehabilitated units and new units, over the past decade.

One of the benefits of the program is the creation and retention of affordable housing. Various Department of Housing and Urban Development (HUD) programs, such as the low-income housing tax credits, have been used by private investors in conjunction with preservation tax credits to achieve this goal. Over the past 39 years, the National Park Service has approved as part of the historic tax credit program a reported 146,074 low and moderate income housing units.

Table 10: Historic Rehabilitation Projects (Part 2s) Involving Housing (Reported Unit Count): FY 2006-2015

	Number of Housing Units	Number of Units Rehabilitated	New Units	Number of Low/Moderate Units	Percentage of Low/Moderate Units to Total Number of Housing Units
FY15	23,569	8,608	14,961	8,096	34%
FY14	19,786	8,369	11,417	6,540	33%
FY13	25,121	9,367	15,754	7,097	28%
FY12	17,991	6,772	11,219	6,366	35%
FY11	15,651	7,435	8,216	7,470	48%
FY10	13,273	6,643	6,630	5,514	42%
FY09	13,743	5,764	7,979	6,710	49%
FY08	17,051	6,659	10,392	5,220	31%
FY07	18,006	6,272	11,734	6,553	36%
FY06	14,695	6,411	8,284	5,622	38%

Use of Additional Incentives and Funding Assistance

Using Federal historic preservation tax credits generally does not preclude the use of other Federal, state, or local funding sources that promote public benefits, or other programs designed to encourage rehabilitation. Information from the User Profile and Customer Satisfaction Questionnaire indicates that 88% of the respondents reportedly used one or more forms of additional incentives or publicly-supported financing in FY 2015. Of the additional incentives, 48% utilized state historic preservation tax incentives and 4% used the Federal low-income housing credit. Other incentives included HUD programs such as HOME, Insured Loan Programs and the Community Development Block Grant (CDBG); New Market Tax Credit Program (NMTC); Tax Increment Financing (TIF); Brownfields Economic Development Initiative Grant; and, USDA Rural Development Loan Programs. Local property tax/ad valorum tax abatement was used by 16% of the respondents, and 8% obtained low interest loans through their cities.

*Table 11: Other Incentives Used In Completed Projects In Addition to Historic Preservation Tax Credits in FY 2015**

None	7%
Low-income Rental Housing Credits	8%
Local Property Tax/Ad Valorum Tax Abatement	16%
Historic Preservation Easement	0%
Facade Grant Program	7%
State Historic Preservation Tax Incentives	48%
HUD Program	3%
Low Interest Loan	3%
Other	8%

*Many projects used more than one type of program. This is reflected in the percentage rates above. This data is taken from the post-certification questionnaire voluntarily returned by property owners.

Historic Revival into Senior Housing

With their neighborhood locations and handsome architecture, former monasteries, convents, and parochial schools are being adapted to help meet the growing need for senior housing, utilizing the Federal historic tax credit. Both of the projects shown here were certified by the National Park Service in FY 2015.

The Blessed Sacrament School, Louisville, KY

In Louisville, Kentucky, locally-based Housing Partnership, Inc., joined with Catholic Charities of Louisville to renovate the Blessed Sacrament School into 30 desirable senior apartments. At the same time, the building was made more energy efficient while preserving its historic character. The former convent wing was rehabilitated as a community service facility, providing financial literacy and housing/rental counseling for the community. Photo: David Dutschke, Catholic Charities of Louisville.

Passionist Brothers Monastery, Chicago, IL

In the Norwood Park community of Chicago, a former Passionist Brothers Monastery now provides 84 apartments for senior citizens following a $34 million rehabilitation and expansion of the circa 1910 Classical Revival-style building. The property features such amenities as a fitness center, library, chapel, and gardens—all part of the independent living experience of this Senior Lifestyle Corporation community. Photo: NPS file.

on the cover . . .

Vacant for nearly 40 years and left to decay

Lowe's Kings Theater, Brooklyn, NY

Before photo of auditorium: Whitney Cox

Kings Theater was one of five "wonder theaters" built by the Lowe's Theatre chain and around New York City in the late 1920s. It featured a progression of lavish spaces that lead the audience from the sidewalk into an opulent fantasy world. Vaulted ceilings, ornate plaster walls, gold-leaf ornament, crystal chandeliers, rich wood paneling, embroidered fabrics and tapestries, marble floors and highly styled woven carpets all celebrated a high-style French Renaissance influence.

The theater initially offered both film screen and live vaudeville performances. With the rise of sound film and decline of vaudeville, it was converted to an all-film format, and by the mid 30's offered double features for as little as 25 cents. Due to low attendance, high maintenance costs and the decline of the surrounding neighborhood, it closed in 1977. Seized for back taxes, the theater was acquired by the City in 1983. Neglected over time, the theater fell into a state of disrepair suffering from extensive water damage and vandalism.

After photo of auditorium: Whitney Cox

In 2009, after many false starts, ACE Theatrical Group was awarded the right to redevelop the building as a live performance venue by the New York City Economic Development Corporation. The historic rehabilitation effort restored the exterior and the most important interior public spaces, while making carefully planned modifications to accommodate a modern performing arts venue. Exterior work included repairs to the terra cotta facade, roof replacement and recreation of the historic marquee. Work in the lobbies included the reproduction of the historic carpeting, restoration of the chandeliers, and creation of additional refreshment and restroom facilitites. In the auditorium, the ornamental plaster was restored and the tapestries and curtains were recreated. Wood finishes were regrained and restored. A decorative paint scheme, drawn from the original included glazes and gilding. To accommodate modern codes and ADA compliance the orchestra floor and mezzanine were re-raked and the number of seats reduced by 20 percent.

After photo of lobby: Kings Theater

Utilizing the Federal Historic Tax credits, this sucessful public/private partnership brought the magnificent building back to life. The $95 million project was certified by the National Park Service in 2015 with a QRE. The rehabilitation generated over 500 construction jobs, with 100 full-time positions created with the completion and in-service operation of the building. Today, it is the largest indoor performing arts venue in Brooklyn and fourth largest in New York City.

State Historic Preservation Tax Incentives

More then half of the states offer state tax incentives of various kinds for historic preservation rehabilitation projects. Approximately half of the projects receiving Part 3 certification also used state historic tax credits in FY 2015. Over half of the states currently offer state income tax credits. The four states with the most rehabiliation activity in FY 2015 (Lousiana, Virginia, Ohio, and Missouri) all have "piggybacked" state historic credits. Piggybacking state credits has proven to be an invaluable additional incentive for rehabilitating vacant and deteriorated historic buildings. Property tax relief is also available for qualified projects through statewide programs in a number of states. Some states also offer property tax relief as a local option.