Connecticut Preservation Action

The Voice of Historic Preservation at the Assembly since 1980

"Connecticut should do more to support applicants for federal funding and tax credits. It should expand the affordable housing bonus in its Historic Preservation Tax Credit program – a program that creates jobs and preserves our historical assets by encouraging rehabilitation of old buildings. . . . State tax credits to support affordable housing and rehabilitation of historic properties have been tightly limited. We can and must do better."

-Governor-Elect Dannel Malloy's website

Connecticut Preservation Action appreciates this resounding support for a key preservation program and would like to share an idea which we think would expand its reach, while not adding to the state budget. We recommend eliminating the restrictions on use of a "certified historic structure," both before and after the rehabilitation.

Currently both Statutes 10-416a and 10-416b restrict their utilization to buildings which have been either commercial or industrial, and which will become either residential (a) or mixed residential and commercial (b). CPA proposes that the measures be opened up to a more market-based approach, and that the types of buildings should be expanded additionally to historic structures which have been institutional, mixed residential and nonresidential, and possibly other classifications. In addition, the post-rehabilitation uses should be expanded to any use, residential or nonresidential. The reasons for this proposal are many:

1. Historic rehabs create at least 12-percent **more jobs** per dollar invested than either new construction or manufacturing. More qualified buildings will create more jobs.
2. We will access **more federal dollars** into the state, as most rehabs twin this with the federal HRTC, which limits use only to projects that are income-producing.
3. We will encourage **more private dollars** to be invested into real estate.
4. Of the 31 states with a HRTC, **only our state limits** the types of buildings available to use the credit. Currently, our measures may not be used to change a church into a performing arts center, or a school into senior housing, the rehab of a historic city hall, or even an old apartment building into a new one.
5. Many historic structures simply do not lend themselves to conversion to housing, but they are very appropriate for light manufacturing, offices, art galleries, libraries, etc.
6. Residential will continue to be a desired use for many projects. Among the projects done under the federal HRTC over the past 31 years, approximately 30-percent have residential use because the federal measure can be twinned with LIHTC and New Markets programs.

We would like to stress, again, that these changes require **no new state funding**. But we feel they will bring more revitalization, more jobs, and more re-investment. And the dollars will be targeted to already-developed areas which have infrastructure in place.

Without going into a defense of the program itself (and we are happy to make the case), we will leave you with one thought: The cumulative, 30-year, $16.6 billion cost of the federal program has been more than offset by the $21.1 billion in federal taxes these projects have generated. The HRTC actually brings more money into the federal coffers than it costs. It makes money.

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