Virginia’s Historic Rehabilitation Tax Credit (HRTC) program has played an essential role in the preservation of thousands of historic properties and economic sustainability of communities throughout the Commonwealth since its inception 20 years ago. The program has issued $1.2 billion in tax credits, leveraging $4.5 billion in private investment since 1997. Although the tax credits issued represent revenue not immediately realized by the Commonwealth, much of the $4.5 billion of private investment would not have otherwise occurred. VCU’s Wilder School analyzed the Historic Rehabilitation Tax Credit program to better understand its costs and benefits to Virginia, its communities, and its historic buildings.
KEY FINDINGS

SECTION 1: ECONOMIC IMPACT – The first section of the report focuses on the quantitative economic impacts generated by the tax credit program, including a first-in-Virginia look at the ongoing economic impacts of historic buildings completed in 2014 that have been modernized and put back into use.

1. REHABILITATION IMPACT - Measures impacts from the construction phase

   $1.00 OF HISTORIC TAX CREDITS = $4.73 IN ONE TIME REHAB IMPACT

2. POST-REHABILITATION IMPACT - Measures post-construction economic impacts

   15 COMMERCIAL PROJECTS
   74 RENTAL RES. PROJECTS
   58 OWNER RES. PROJECTS
   11 OTHER PROJECTS

   For 1,014 employees
   With 1,400 units
   Create 59 homes
   Schools, churches, etc.

   $1.00 OF HISTORIC TAX CREDITS = $4.66 IN POST-REHAB ANNUAL IMPACT

3. RETURN ON INVESTMENT - Provides a time line for the return of tax revenues

   $109.5 M Worth of 2014 HRTC IS REPaid By state tax revenue IN 9 YEARS With a positive ROI by 2023

4. PROPERTY VALUE IMPACTS - Details changes to real estate tax assessments

   ON AVERAGE, ASSESSED VALUES OF HRTC PROJECTS INCREASE 170% and have a halo effect that raises neighboring values

SECTION 2: BEYOND THE NUMBERS – The second section of the report provides an understanding of the trends and impacts of the HRTC program that mere numbers can’t capture.

5. THEMATIC FINDINGS - Themes discovered through interviews and focus groups

   a. HRTC as a tool for community revitalization
   b. Movement away from large urban areas
   c. Limitation of predictability for secure financing
   d. Projects in economically distressed areas

6. URBAN/RURAL - Shifting trends in HRTC use across socioeconomic areas

WWW.CURA.VCU.EDU (804) 828-2274 CURA@VCU.EDU

L. Douglas Wilder School of Government and Public Affairs Center for Urban and Regional Analysis

Virginia Department of Historic Resources