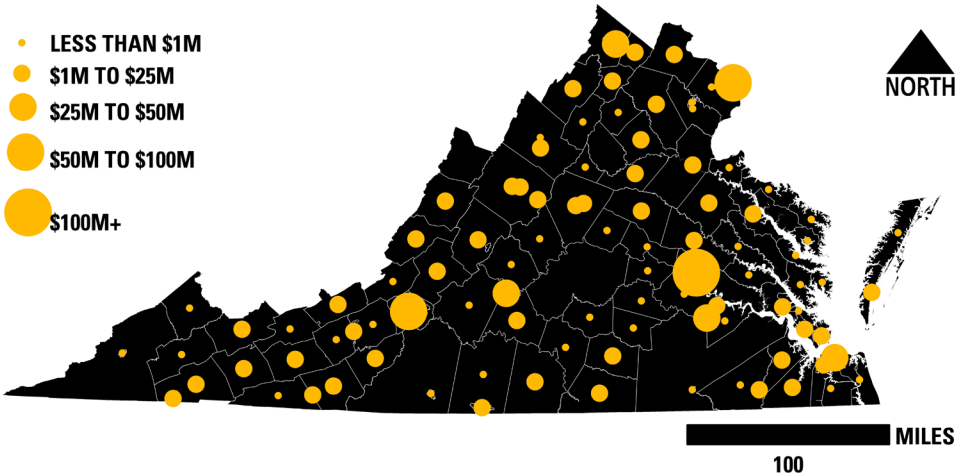


PRESERVING THE PAST, BUILDING THE FUTURE

HRTC AT WORK IN VIRGINIA

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.

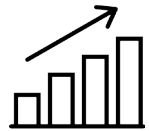
MAP 1.2: STATE HISTORIC TAX CREDIT TOTAL CREDIT BY LOCALITY [1997-2014]



\$1.2 B
OF HISTORIC
TAX CREDITS

LEVERAGES

\$4.5 B
IN PRIVATE
INVESTMENT



JANUARY 2018



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



DHR | Virginia Department of Historic Resources

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**



For 1,014 employees

74

**RENTAL RES.
PROJECTS**



With 1,400 units

58

**OWNER RES.
PROJECTS**



Create 59 homes

11

**OTHER
PROJECTS**



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

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

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

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