



NOVOGRADAC

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## THE **HISTORIC TAX CREDIT** ISSUE

### STORIES INSIDE

Despite Challenges, HTC Market Continues to Move Forward ♦ Planning for  
HTC Program Enhancements ♦ Pandemic Poses Distinct Challenges to  
Developers of Historic Buildings in Hospitality Industry ♦ Implementing Green  
Building Practices with Historic Preservation



## HISTORIC TAX CREDIT TOOL BOX 🌿

# Historic Tax Credit Legislation Update from Patrick Robertson



CINDY HAMILTON, HERITAGE CONSULTING GROUP

In November 2020, we kicked off an interview series with Patrick Robertson, of Confluence Government Relations, who leads the Historic Tax Credit Coalition (HTCC) government relations effort, to provide routine updates on the progress and advocacy for historic tax credit (HTC) legislation.

The second interview in this series, conducted in March 2021, touched upon the status of the HTC legislation, specifically the Historic Tax Credit Growth and Opportunity Act (HTC-GO), and how Congress under the newly inaugurated Biden Administration was taking shape.

The following is a continuation of our interview series with Patrick Robertson which illuminates the legislative advancements that have occurred in the 117<sup>th</sup> Congress.

**Q: 2021 has been a busy year for the HTCC and the push for legislative improvements to the HTC. What progress has been made since the early spring?**

*Image: Courtesy of Christian Phillips Photography*  
A view of the exterior of the Wagner Awning Building apartments in Cleveland, developed by Sustainable Community Associates using historic tax credit equity.

A: Champions of improvements in the HTC have introduced bills in both the House of Representatives and the Senate, with increasing co-sponsors from both sides of the aisle. In the House, Rep. Earl Blumenauer, D-Oregon, introduced the HTC-GO Act (H.R. 2294). He was joined by Reps. Darin LaHood, R-Illinois; Terri Sewell, D-Alabama; and Brian Higgins, D-New York, all of whom have signed on as sponsors. As of July, the bill has almost 60 co-sponsors in the House.

In the Senate, Senators Benjamin Cardin, D-Maryland; Bill Cassidy, R-Louisiana; Maria Cantwell, D-Washington; and Susan Collins, R-Maine, introduced a similar bill, S. 2266. The Senate bill includes the same permanent provisions in the House bill but leaves out the temporary bump up to 30%. We expect Sen. Cardin will introduce that as a stand-alone bill.

Over the course of the summer, the HTCC worked with advocates across the country to hold dozens of meetings with key Congressional leaders to advocate for the inclusion of important provisions in any vehicle that is likely to move during this Congress. Adding co-sponsors is one of the most impactful ways to demonstrate strength and I would ask stakeholders to reach out to their members of Congress to get them on board as supporters.

**Q: As you mentioned, there are currently bills in both the House and Senate pertaining to HTCs, as well as the potential for the provisions to be tacked onto a larger tax bill. Under which vehicle do you expect HTC legislation to be furthered?**

A: The bipartisan infrastructure bill that Congress worked on in July and August was a potential vehicle, but it has very limited tax provisions and none of the community development credits were included in that bill. Now, Democrats in Congress are working toward a second infrastructure package which they hope to pass through the budget reconciliation process. This would allow them to pass revenue measures with only 50 votes in the Senate instead of having to reach 60 to break a filibuster. While this is a complicated and

arcane process, it has worked well in recent years to pass the tax cuts while President Trump was in office. This process was also used to pass the American Rescue Plan earlier this year.

Legislative changes to HTCs were included in a bill that passed the Democratically run House of Representatives last year and I am hopeful that they will be included again this year. We are working with our champions and the committees of jurisdiction to ensure we are positioned as well as possible to be included.

**Q: Another bill that has implications on the HTC program is the Rehabilitation of Historic Schools Act (H.R. 4086), which was introduced by Rep. Dwight Evans, D-Pennsylvania. What are the goals of this legislation and what separates this from HTC-GO?**

A: This provision, championed by Rep. Evans, would allow the HTC to be used to rehabilitate schools. It is something the HTCC has generally supported but has not been included in previous iterations of HTC-GO. The House also passed a version of this legislation last year. While there are some issues to sort out about sale leasebacks of schools, this could be an important tool to rehabilitate schools in cities across the country.

In addition to the Rehabilitation of Historic Schools Act, Rep. Blumenauer's REHAB Act (H.R. 1483) could also be included in a package, depending on how much money is made available to community development credits. In a more recent development, the Revitalizing Downtowns Act (S. 2511) was introduced by Sen. Debbie Stabenow, D-Michigan, and would create a 20% tax credit to rehabilitate obsolete office buildings.

**Q: Has the HTCC further approached the Biden administration? If so, what has been the feedback from the administration on the importance of HTCs?**

A: The HTCC has had a few meetings with the Biden administration and there are some key HTC supporters, like former Rep. Cedric Richmond, working in the

administration. In addition, all of the events then-president-elect Biden held in Wilmington, Delaware, before his swearing in took place at the Queen Theater, which was a successful HTC project. The administration has shown support for the credit at both higher levels and in technical calls with the Internal Revenue Service and Department of the Treasury. A number of officials on those calls are intimately familiar with HTCs and the proposed improvements from their time on Capitol Hill.

**Q: By the end of this year, do you expect that legislation incorporating improvements to the HTC will be passed? If so, what sort of timeline should the industry expect?**

A: I am really hopeful we will see movement on this legislation. Nothing is less predictable than Congressional schedules, except maybe construction schedules. There is a lot of pressure in Congress to move on a number of the Biden administration's and Democrats' priorities and this bill is the best chance to notch some wins for them. Next year is a midterm election year and that tends to slow down the pace of Congress, if not stop it. September and October are going to be key months for this effort.

**Q: What can our stakeholders do to assist in advocacy efforts?**

A: Reach out to their members of Congress and senators and ask them to support the HTC-GO bills in both Houses of Congress. Stakeholders can also tell them how critical the provisions are, including the temporary bump up to ensure projects can succeed through the pandemic's cost increases. Another helpful effort would be to offer site tours of successfully rehabilitated buildings and ongoing rehabilitation projects.

We need everyone's voice pushing for these improvements if they are going to happen. For those who need help with advocacy efforts, they are welcome to reach out to the HTCC. Additionally, for regular updates on progress and more help with Washington the HTCC is also always welcoming of new members.

### Patrick Robertson

*Patrick Robertson is the principal of Confluence Government Relations, a full-service government affairs and business advisory firm based in Washington, D.C. Since 2009, Mr. Robertson has served as the government relations consultant for the HTCC, engaging with members of Congress and the presidential administration on the importance of the historic tax credit as a job creator and economic development tool. Mr. Robertson oversees the day-to-day operations of the HTCC and assists in strategic planning and the development of legislation to continue to improve upon and expand the HTC. ❖*

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Cindy Hamilton is president of Heritage Consulting Group.

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