

# Community Restoration and Revitalization Act (H.R. 1043, S.584)

Promote Reinvestment and Prosperity in our Older Communities  
March 2008

## STATUS

On February 14th, 2007, Representatives Stephanie Tubbs Jones (D-OH) and Phil English (R-PA), and Senators Blanche Lincoln (D-AR) and Gordon Smith (R-OR) introduced H.R. 1043 and S.584 -- the Community Restoration and Revitalization Act. There are now 87 cosponsors in the House and 8 in the Senate. Over 60 national housing; community development; preservation; financial, and environmental organizations; state and local governments; and leading advocacy groups endorse this bill.

The bill would further the ability of the existing Federal Historic Rehabilitation Tax Credit (FRTC) -- to spur building reuse and renovation in older communities across the country where housing, reinvestment, and economic stimulation are needed and make most sense.

## REQUEST

Cosponsor H.R.1043 and S.584 and support jobs, housing creation, and revitalization in America's communities.

## BACKGROUND

The FRTC has leveraged over \$45.18 billion worth of private capital. It has created 93,061 units of affordable housing in the nation's historic and older buildings since Congress created it in 1977. But it can do so much more. Since over 60% of America's historic districts -- about 13,600 buildings listed in the National Register of Historic Places -- overlap census tracts with higher than average poverty rates, this bill is especially important. The National Park Service estimates that the FRTC has created 40,755 jobs since 1977. In 2007 alone, the FRTC produced 6,553 units of low- and moderate-income housing. The nation needs incentives to create both market-rate housing for stabilizing neighborhoods and affordable housing to prevent displacement.

Reusing historic buildings reflects responsible stewardship and sustainability. Over the past ten years alone, the FRTC has encouraged the reuse of over 217 million square feet of commercial and residential space. This equals the energy required to heat and cool all the homes in New England for a full year. The Community Restoration and Revitalization Act would further improve this tool to capture a whole new inventory of buildings currently underserved by the FRTC and adapt it to the varied needs of the 21st century.

**Basis Reduction:** Eliminating or lessening the rule that lowers tax benefits dollar-for-dollar according to the amount of credit taken when using the FRTC.

**Greater Subsidy in Distressed Areas:** Deepening the FRTC in the most difficult-to-develop and disinvested areas.

**Making the 10% Credit Available for Housing:** Opening up the inventory of "older buildings" for housing -- the 10% component of the FRTC currently prohibits its use for "dwellings." This proposal also includes changing the definition of "older building" from "built before 1936" to any property "fifty years old or older."

**More Workability for Small Deals:** Enriching the FRTC to 40% in projects that are \$2 million or less to target those "Main Street" type developments in which rehab credit costs are currently too prohibitive.

**More Favorable Tax Exempt Rules:** Easing the rules governing non-profit deals so that more community-oriented projects move forward.

**Supports For-Sale Housing:** Eliminating a provision in the current law that requires the paying back of tax credits when properties are sold within five years of the project's completion.

## FOR MORE INFORMATION

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