January 31, 2020

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street SW
Room 10276
Washington, DC 20410-0500

REF: FR-6187-N-01 White House Council on Eliminating Regulatory Barriers to Affordable Housing; Request for Information

To Whom It May Concern:

Preservation Action, the nation’s grass-roots historic preservation advocacy organization, representing more than 3,000 members and supporters across the country, appreciates the opportunity to respond to the Request for Information for the White House Council on Eliminating Regulatory Barriers to Affordable Housing, Docket ID HUD-2019-0092.

We are the only national non-profit devoted exclusively to promoting policy at the federal, state and local levels benefitting man-made and environmental heritage; all, in order to bring about civic betterment and social improvements for our cities and their communities. Preservation Action agrees that we are facing an affordable housing crisis and are committed to working with the administration to help address the issue. Historic Preservation requirements are among several “regulatory barriers” cited by the White House Council as referenced in the Executive Order. We strongly disagree with that characterization. Historic Preservation is not part of the problem, but instead is part of the solution in solving the nation’s affordable housing crisis.

The vast majority of the historic resources which Preservation Action and our grassroots has committed to preserve since our founding in 1974 are buildings in which people live. Historic buildings provide countless families across the country a place that they can call home. Furthermore, historic buildings such as former factories, churches, and schools are adaptable to many kinds of purposes and provide countless opportunities for residential use.

As the Department of Housing and Urban Development (HUD) examines policies related to affordable housing, historic buildings should be considered as a primary source for affordable housing. Preservationists are well versed in sharing the concrete successes of preservation programs and we are proud to share here about the positive benefits of utilizing existing buildings as affordable housing. Keeping our older housing maintained and occupied, both in historic districts and elsewhere, needs to be a central strategy for housing affordability. According to data from the American Housing Survey, the housing costs for older housing is less. Yet this stock of unsubsidized affordable housing is being lost at an alarming rate. A US Department of Housing and Urban Development working paper, U.S. Rental Housing Characteristics: Supply, Vacancy, and Affordability, stated “From 2001 to 2007 the nation’s affordable unassisted rental housing stock decreased by 6.3%, while the high-rent rental housing stock increased 94.3%. This translates into a loss of more than 1.2 million affordable unassisted rental units from 2001 to 2007.”
Many may be concerned this older housing is in poor condition, but American Housing Survey data shows only 2% of pre-1960 housing is rated “severely inadequate.” Communities across the country are establishing policies or revise existing programs and practices to encourage the reuse of existing housing stock both within recognized historic districts and older neighborhoods. San Antonio, Texas, has incentives for landlords and homeowners for both minor and substantial rehabilitation. Racine, Wisconsin, offers loans for structural repairs for homeowners and landlords who lease to low income residents in buildings with 4 units or less.

Historic preservation has been used as one of the tools for communities to stabilize neighborhoods and spur economic development and community benefits. Increased revenue comes from property taxes, creation of new businesses and, due to the fact that historic preservation is more labor intensive than new construction, more job creation. Utilization of the Federal Historic Tax Credits (HTC) to spur local economic development has been well documented. The HTC is often used in combination with the Low Income Housing Tax Credit (LIHTC). In fact, according to the National Park Service’s 2018 Historic Tax Credit Annual Report, the HTC has produced over 166,000 Low- and Moderate-income affordable housing units. Examples like Hilliard Homes in Chicago, Illinois, where over 650 affordable units were restored in the historic high-rise tower complex, encouraging reinvestment in the area. In addition to the Federal HTC, 37 states also have analogous legislation in the form of a State HTC. In a number of states, this tax credit provides an additional incentive if the project includes an affordable housing component. The Connecticut Historic Structure Rehabilitation Tax Credit provides a 20% tax credit for substantial rehabilitation and a 5% tax credit “bump” if the project guarantees that 30% of its rental housing units are affordable. According to the Connecticut State Historic Preservation Office, 52% of the projects that utilized the State HTC have received this 5% tax credit bump for affordable housing. Other states like Massachusetts and Maryland have State HTCs that contain an added incentive for affordable housing.

Subsidized affordable housing in the U.S. almost entirely hinges on HUD programs and funding that is passed to state and local communities. Revising federal and state policies and funding priorities will be critical to giving communities the tools for expanding and protecting the number of local affordable housing units. There is much opportunity for HUD to encourage rehabilitation within its own programs. There is a perception that rehabilitation is burdensome despite data illustrating that it is more cost-effective. A recent study by the Center for Housing Policy of costs for LIHTC projects across the U.S. found new construction costs were approximately $40,000 to $71,000 (25 to 45%) higher per unit than those of acquisition-rehab projects. In HUD Community Development Block Grant entitlement communities, often “slum and blight” dollars are utilized for demolishing vacant and distressed buildings – typically older or historic buildings considered easier to demolish than rehabilitate. The very language of “blight” shows a preference for demolition and guides communities against alternative eligible activities such as acquisition and rehabilitation. When these buildings are lost, it represents a unit of potentially affordable housing lost.

Just as the old perceived model for preservation as just “protecting the homes of the rich” is out-of-date and inaccurate, so is the model for providing housing for the economically disadvantaged. Preservation theory has always been inclusive, but, more now than ever, preservation is increasingly about recognition of diverse cultures and preserving the people and stories as well as the places that they inhabit. Likewise, housing policies and funding for our most vulnerable people can take cues from the
communities that have taken advantage of preservation as a planning tool. Let this decade be a case study of where housing advocates and preservationists work together to build stronger, more empowered neighborhoods with housing opportunities for all.

We appreciate this opportunity to comment. As a grassroots organization, we have been and will continue to gather feedback from our members on this important issue. We stand aligned with partner historic preservation organizations who share our concerns.

Sincerely,

Briana Grosicki
Chairwoman, Preservation Action

Russ Carnahan
President Preservation Action