

**Maine Downtown Institute
Design and Historic Preservation: Your Sense of Place**

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Maine Downtown Center Maine Preservation Maine Historic Preservation Commission Lachman Architects & Planners

What is the Maine Historic Preservation Commission?

- is the State Historic Preservation Office for the State of Maine
- oversees the identification and evaluation of archaeological sites as well as historic buildings, objects and districts
- reviews and comments on the effect of federal, state and local undertakings on historic properties
- nominates properties to the National Register of Historic Places
- assists owners of income producing properties to obtain federal and state rehabilitation tax credits
- promotes historic preservation through planning and public education.

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Significant Federal Cultural Resources Laws

- National Historic Preservation Act of 1966
 - Sections 101, 106, 110, 111
- Department of Transportation Act [Section 4(f)]
- National Environmental Policy Act (NEPA)
- Archaeological and Historic Preservation Act
- Archaeological Resources Protection Act
- American Indian Religious Freedom Act
- Native American Graves Protection and Repatriation Act.

Section 106 of the National Historic Preservation Act

- Offers the broadest protection of cultural resources in the U.S.
- MHPC currently reviews approximately 3500 projects each year
- Projects include but are not limited to:
 - Maine DOT projects funded by the US Federal Highway Administration or permitted by the US Army Corps of Engineers
 - USDA Rural Development housing acquisition and rehab projects
 - US HUD housing acquisition and rehab; CDBG projects; public facilities
 - US Dept of Defense base closures or military construction projects
 - US Army Corps of Engineers permits for residential and commercial pier and dock projects
 - National Park Service projects at Acadia National Park and other locations in Maine
 - US FCC new cell tower and collocation projects

Section 106 of the National Historic Preservation Act

- Section 106 is triggered if the Federal undertaking (funding, licensing or permitting) may have an effect on a historic property
- Section 106 review Involves the assessment of effects on National Register listed or eligible properties
- Projects must be in compliance with “The Secretary of the Interior’s Standards for the Treatment of Historic Properties.”
- MHPC is a consulting party only; it is the federal agency’s decision to fund, license or permit a project
- If there will be adverse effects, the federal agency is required to determine ways to avoid, minimize or mitigate the effects on a historic property.

State of Maine Historic Preservation Regulations

- Maine DEP Site Location of Development Law
- Maine DEP Natural Resources Protection Act (projects usually concurrently reviewed with Section 106 due to US Army Corps of Engineers’ permits)
- Maine Land Use Regulation Commission
- Archaeological Site Protection – Maine’s Antiquities Law (Title 27 MRSA Chapter 13 Section 371-378)
- State regulations regarding burials and cemeteries

Local Historic Preservation Laws

- The only comprehensive protection for historic properties is legislation at the local level.
- Maine's Home Rule
- Local zoning or land use ordinances (sometimes incorporate a request for project review from MHPC)
- Local historic preservation ordinances
- Local demolition delay ordinances

National Register of Historic Places

- List of properties maintained by the U.S. Department of the Interior, National Park Service
- More than 80,000 properties listed; over 1470 properties in Maine
- To be eligible for listing, a property must:
 - Be at least 50 years old, unless it is exceptionally important
 - Be historically or architecturally significant on the national, state or local level; and
 - Possess "integrity" from the period during which it earned its significance
 - Meet at least one criteria: A-significant event; B-significant person; C-architecture; D-archaeology
 - Be a building, structure, site, object or district

Benefits of National Register Listing

- Recognition that a property is significant to the nation, the state or the community
- Afforded protection from adverse impact by federal undertakings
- Eligible for federal and state historic tax incentives programs
- Qualify for other assistance with funds are available e.g. Save America's Treasures, New Century Community Program grants etc.

Federal Historic Preservation Grants

- National Park Service - Save America's Treasures Funding
 - Assists in the preservation and conservation of nationally significant historic sites
- National Park Service - Historic Preservation Fund Grants
 - MHPC has had to limit its HPF subgrants to small public education projects and the support of Certified Local Governments.
- Federal Surplus Property Program
 - Federal agencies are required to reuse historic properties or transferred to states, localities, non-profits or the general public.
 - MHPC holds preservation covenants on some historic properties

MHPC Historic Preservation Grants

- New Century Community Program Grants
 - Eligible projects involve the restoration of buildings or structures that are listed in or that are scheduled to be nominated for listing in the National Register of Historic Places, and that are owned by public agencies or non-profit institutions.

Other Granting Agencies

- National Trust for Historic Preservation programs
- Maine Preservation programs
- Maine Department of Economic and Community Development grant programs
- Maine State Archives Facilities grants
- Preserve America or www.cr.nps.gov/hps/hpg/preserveamerica/
- United States Department of Agriculture Rural Development
- Maine Philanthropy Center

Tax Incentives for Historic Preservation

- Federal Historic Preservation Tax Incentives
- State of Maine Historic Preservation Tax Incentives
- Local Option Property Tax Reimbursement
- Façade Easements
- Maine State Housing Authority
 - Low Income Housing Tax Credit Program

What are Maine's historic preservation tax incentives?

Federal Historic Preservation Tax Incentives:

- A credit on taxes owed to the IRS
- The credit may be claimed on 20% of qualified rehabilitation expenditures (QREs)
- The rehabilitation must be substantial, meaning the investment must be greater than or equal to the building's adjusted basis
- \$100,000 in QREs = \$20,000 in Federal credit
- Credit is not refundable and must be claimed in the year the building is placed into service
- No cap

Maine's State Historic Preservation Tax Incentives:

- A credit on taxes owed to the State of Maine
- The credit may be claimed on 25% of certified qualified rehabilitation expenditures (CQREs) incurred between January 1, 2008 and December 31, 2013
- \$100,000 in CQREs = \$25,000 in State credits
- These credits are fully refundable and must be claimed over a 4-year period (25% per year for 4 years, beginning when building is placed in service)
- \$5,000,000 per project cap

Maine's State Incentives Include Two Types of Credits

The **Substantial Rehabilitation Credit** is essentially a “piggyback” onto the Federal Historic Preservation Tax Incentive – a rehabilitation that is certified by the National Park Service for the Federal credit is considered certified for purposes of Maine's Substantial Rehabilitation Tax Credit.

The **Small Project Rehabilitation Credit** is only for rehabilitation projects with certified qualified rehabilitation expenditures between \$50,000 and \$250,000, and that do not meet the substantial rehabilitation threshold required by the Federal credit does not need to be met.

Affordable Housing: The State credits are increased to 30% if the project is designated an affordable housing project by the Maine State Housing Authority.

Basic Eligibility for Credits

1. The building must be individually listed in the National Register of Historic Places or be a contributing building to a National Register listed or local certified historic district.
2. The building must be used for an income-producing purpose for at least five years after completion of the certified rehabilitation.
3. The project must meet the IRS substantial rehabilitation test OR it must incur certified qualified rehabilitation expenditures of between \$50,000 and \$250,000.
4. The entire rehabilitation project must be done in accordance with The Secretary of the Interior's Standards for Rehabilitation.

Contact Information for historic preservation tax incentives:

- Mike Johnson
Rehabilitation Tax Incentives Coordinator
Maine Historic Preservation Commission
207 287 2949
Mike.D.Johnson@maine.gov
For rules, instructions, forms etc:
http://www.maine.gov/mhpc/tax_incentives
- Regarding fiscal and tax aspects of the State credit:
Richard Truman
Maine Revenue Services
207 624 9547
Richard.E.Tuman@maine.gov

Certified Local Government Program

- Local, state and federal partnership
- “Guidelines for the CLG Program in Maine MHPC” – must have historic preservation ordinance and a historic preservation commission which implements a formal review process
- CLGs are eligible for federal Historic Preservation Fund grants
- Technical assistance from MHPC
- Currently 9 CLGs in Maine: Bangor (12/02/85), York (01/07/86), Topsham (06/22/88), Kennebunk (02/09/90), Hampden (08/28/90), Lewiston (02/04/91), Saco (10/23/91), Castine (11/24/94), and Portland (01/10/05).

Preservation Planning

- MHPC offers technical assistance for local preservation planning
- MHPC hosts and participates in workshops for CLGs and others interested in historic preservation
- State Preservation Planning – “A Heritage for the Future: A Plan for Preserving Maine’s Historic and Archaeological Resources
- Comprehensive Plans – state legislation requires that each plan include a section on "historic and archaeological resources"

Contact for more information:

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Questions?

