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**Base Closure Properties and Historic Preservation Tax Credits
Forum**

**November 13, 2006
Afternoon Session**

**Questions and Answers Summary: Common Design Challenges, Concerns and
the Secretary of the Interior's Standards**

Disclaimer: The information contained in this web posting (particularly the Questions and Answers) is provided as a record of the BRAC forum held in November 2006. This posting on the 20% Federal Rehabilitation Tax Credit process as it relates to base closure properties is presented as informative dialogue on the review process in California and is not meant to supersede NPS or IRS regulations.

1. REVIEW

How are base properties being evaluated when they may have multiple historic districts with multiple properties?

- Districts may be looked at independently and properties within those districts evaluated for historic functional relationships.
- Properties may be considered contributors to a district and evaluated one by one or in the case of a defined historic functional relationship reviewed as one project with multiple buildings.
- Incomplete National Register listing information may require supplemental information to assist in evaluating and making determinations on how buildings will be reviewed.
- A decision to apply for tax credits* may depend on the type of building, the proposed use, and any need for added flexibility.
- A review boundary may be limited to the specific property on a military installation since lots didn't exist historically and a specific boundary may be hard to define.

What is the difference between general and preliminary review?

- General review is considered review of a project submission under the 20% Federal Rehabilitation Tax Credit application process. The owner and consultant team should ensure that the project submitted is complete in accordance with the NPS requirements. OHP and the NPS do not perform reviews of draft material.
- A preliminary consultation may involve advice and guidance from the NPS in the early stages of project planning.
- A preliminary review is done at the discretion of OHP, not an applicant. OHP must feel that an issue warrants preliminary input from OHP and NPS prior to submission of a Part 2 application. This is typically when the project may contain a single “make or break” issue. Preliminary reviews are advisory only since circumstances may change before a Part 2 is submitted. The NPS response will be verbal and conveyed directly to OHP.
- Refer to the NPS website (Program Administration) for more on Preliminary Consultations, Reviews, and Meetings.

What is the purpose of a Request for Information (RFI)?

A RFI is used by OHP when the review of an application cannot be completed due to the need for additional information, clarification of information submitted, or insufficient or missing information. The OHP reviewer outlines the issue(s), provides a summary of comments and/or recommendations, and requests what should be provided in a response. Applications are put on hold when a RFI is issued. Upon receipt of information making the application complete, the 30 day review period begins.

What is the availability of OHP staff for preliminary site visits?

Site visits for large projects are usually advantageous to the overall tax credit process and are usually performed by OHP, just before or early in a project submittal. Unfortunately OHP does not have staff or budget to visit every tax credit project site, but is sometimes able to group site visits together to facilitate as many site visits as possible within an area. Depending on a project's size, location, and issues involved, a site visit may be necessary and will be scheduled by staff.

Although requests for site visits may be facilitated by the owner providing for travel expenses, this does not resolve limited staff time or availability. Such requests will be made on a case by case basis. A proposed change to the tax credit regulations includes increasing review fees to allow more money for travel purposes.

What is the typical response time during the construction process?

It depends on the complexity of the issue. Minor issues may be resolved through verbal consultation with an understanding that the issue will eventually be included in a follow-up amendment. Major changes to approved scopes of work or major construction discoveries/new work not previously reviewed must be submitted in an Amendment for review and approval. Both OHP and NPS are cognizant of construction timing and will facilitate the review as expeditiously as possible.

- Timing is usually critical for development projects, especially when under construction, so early submissions are essential to a smooth review process.
- Project work should meet the Standards when submitted to ensure smooth review and determinations. The historic preservation consultant should be able to work with the project team to provide advice on conformance with the Standards. It should not be left up to the OHP and/or NPS to inform the development team that certain work does not meet the Standards and must be revised.

How are repetitive building types being interpreted and reviewed?

- Flexibility cannot be granted simply because a base may have identical or repetitive buildings.
- If properties are being reviewed building by building, each building project must independently meet the Standards
- If the intent is to preserve one set of buildings so that flexibility can be taken in another set of buildings, either the buildings must have an historic functional relationship or the second set of buildings should not be submitted as tax credit projects. The whole property must be defined and reviewed as one project or on a building by building basis.
- Fort Baker as example involved the review of tax credit projects on a building by building project basis, with the common issues of overall site landscaping and new construction reviewed separately under the Section 106 process.
- McClellan Air Force Base as example grouped a military officer housing area as one project reviewed for reuse as an hotel complex.

2. SUBMISSIONS

What are the OHP and NPS issues with 35mm photos versus digital photos?

- A major concern is the quality of the photos submitted which have to adequately portray the exterior and interior of the building, its context and setting, and all character defining features.
- Many digital submissions to date have not included good quality images, images of the right size, or images on quality paper specifically made for digital reproduction.
- Digital images should be of the same quality as 35mm photos and formatted to NPS photo requirements: loose, clear, good quality, 4x6 or 5x7 size, with a label on the back of each image.
- Photos do not have to be archival quality
- OHP and NPS are not set up at this time for electronic submissions
- One picture is worth... As OHP and NPS may not be able to visit the project site, it is important for the images to accurately portray the character and integrity of the property and its site and environment.

3. PROJECTS

What kind of new construction is allowed for new infill within historic district boundaries? (Question in regard to a city central core area)

- This depends on the district eligibility and type of review; new buildings are typically reviewed at the local level; Section 106 review applies if the project is getting state or federal funding.
- New construction guidelines are dictated by the content of any applicable local ordinance and applicable jurisdictional requirements.
- New construction and/or infill work is not reviewed under the 20% Federal Rehabilitation Tax Credit review unless it is specifically tied to a specific property applying for the credit.

When is demolition reviewed?

- See above answers on new construction

How can parking be made economical and viable?

- The demand and location need to be balanced with the character defining features of the property
- The Presidio Trust has incorporated parking into their overall Preservation Plan to address the large demand for parking on the grounds.
- The San Francisco Embarcadero has incorporated parking into some of their covered piers.

Can portions of extremely large buildings qualify for the tax credit?

With proper documentation such as a general preservation or development plan, partial work may be considered when coordinating work with responsibilities under the Section 106 review.

- This is a good example of when to contact the OHP and NPS early in the development process to reach agreement on the best way to approach the review of a project.
- Circumstances that may affect this question include ownership, property boundaries, development schedules, extent of character defining features, and integrity of the property.
- A tax credit project may involve completion of a majority of a building and costs associated with the rehabilitation, without completion of all of the tenant improvements (which may include office space or ground floor retail tenant space).
- A Part 3 submitted upon completion of a project (work as defined in a Part 2 application) provides documentation that the rehabilitation tax credit project is certified and complete. Another project may take advantage of the rehabilitation tax credits if the rehabilitation costs attributed to that project exceed the new basis in the building.
- Once a proposed or ongoing project has been approved, any substantive changes in the work as described in the application are subject to review and approval. Completed projects may be inspected to determine if the work meets the Standards. Inspections of the property may be made by the OHP or NPS at any time up to five years after completion of the rehabilitation.

Signage on many base buildings consisted of only a number, how is new signage reviewed?

- Although it may be difficult when a large entity requires visibility, it is the project team's responsibility to ensure all signage is consistent with the Standards (i.e. in size, scale, massing, and other visual qualities in relationship to the building or district).
- The graphic nature of signage especially on plain facades of buildings may present compliance issues; think of the building in layers with the primary layer being the historic building and signage being a secondary level that does not compete with or overshadow the original layer. Consider how many signs are absolutely necessary as two or three signs per tenant may overwhelm a building.
- While new signage is certainly allowed, the project team needs to look at the number of levels needed, i.e. pedestrian, car-oriented, or way finding and find a mean center line that balances issues such as large tenant demands with the character of both a building and its setting and district.
- Consider organizing signage into a single monument, kiosk, or similar multiple listing type sign to avoid placing signage clutter on buildings and lessen signage impacts.
- Presidio has developed signage guidelines that could be used as an example.
- Signage guidelines should be developed for a property to ensure consistency and compliance with the Standards. These guidelines may be able to be approved by the NPS and if followed will allow new signage designed in conformance with the guidelines to be installed without additional review.

How are interiors treated under the tax credit review?

- Most district nominations do not describe all buildings or the interiors of buildings.
- A rehabilitation project for certification purposes encompasses all work on the interior and exterior of the certified structure and its site and environment.
- For tax credit projects, Part 1 applications should state any interior significant features supplemental to any National Register listing. Part 2 applications should further describe those existing features and their condition.
- Interior tenant improvements continue to be an issue on some properties, especially those that originally contained a single use.
- The structure of a building can also be considered a character defining feature. An example would be a warehouse with exposed structural elements.

4. OBSERVATIONS

- New office parks and outlet centers all strive for a “look” that already exists on historic bases. Character defining features that define this “look” of the specific base should be used as building blocks in the development process.
- Programmatic goals may have different needs and desired associated cost benefits but must also include balancing those needs and benefits with changes to a property’s character defining features that need to be preserved.
- Don’t preclude OHP or NPS input, consultation, and assistance, by obtaining and completing all local reviews and approvals which may preclude the ability to reach a consensus on project compliance with the Standards under the tax credit review process.

5. REQUESTS

- More case studies and process information should be documented and disseminated. Studies should include a list of approved and disapproved issues.
- More interpretations on a case specific basis should be provided.
- Set a goal line and once set don’t keep changing. It should be noted that this could apply to both the project team and review teams. Review comments, recommendations, conditions, and approvals are based on the quality and extent of submitted materials and information. Revisions to approved scopes of work or the submission of new material may alter a previous evaluation and/or determination depending on the issue. No project is precedence setting for any other project.
- Post decision tree

Footnotes

*Tax credit refers to the 20% Federal Rehabilitation Tax Credit Program