



## MacRostie Historic Advisors LLC

Bringing equity, strategy, and experience  
to historic building development

Date: 7-6-17

To: Mark Rees, Town Administrator, Town of Fairhaven

From: Albert Rex – Brett Pelletier

Re: Rogers School Selectmen Questions

Following are answers to the written questions that were submitted to us in advance of the July 10<sup>th</sup> Selectmen's Meeting. We look forward to presenting our findings and answering any additional questions that may be generated from the information provided below.

*1. Please list what types of grants, tax credits and other sources of funding that might be available between two possible pathways: a 501-3-C non-profit status and/or a town-owned property.*

### Grants

There are limited grant opportunities specifically for 501(c)(3) directly related to buildings. There are some "bricks & mortar" grants, but they tend to focus more on the end use rather than on the fact that the building is historic. Depending on the use, school versus cultural facility for instance, there can be different grant opportunities, below are several that can both be used by non-profits and municipalities. In general, there are no grants targeting municipally owned buildings.

The Massachusetts Cultural Council has a Cultural Facilities Fund (CFF). "CFF grants support projects that create jobs in construction and cultural tourism; expand access and education in the arts, humanities, and sciences; and improve the quality of life in cities and towns across the Commonwealth." <http://www.massculturalcouncil.org/facilities/facilities.htm>

The 1772 Foundation provides some direct grants to non-profits relative to rehabilitation or capital improvements <http://www.1772foundation.org>. The Foundation also funds Preservation Massachusetts Predevelopment Loan Fund. The fund provides predevelopment loans between \$25,000 to \$75,000 for predevelopment activities mostly focused on third-party consultants. Loan are available to for-profits and non-profits and are made through a competitive process. <http://www.preservationmass.org/predevelopment-loan-fund>

As is mentioned in our report, The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program established in 1984 to support the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be a municipality or nonprofit organization.

Historic cultural resources in public and nonprofit ownership and use frequently suffer from deferred maintenance, incompatible use, or are threatened by demolition. These important resources represent a significant portion of the Commonwealth's heritage. By providing assistance to historic cultural resources owned by nonprofit or municipal entities, the Massachusetts Historical Commission hopes to ensure their continued use and integrity.

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### **Tax credits**

As outlined in the report, municipalities are not eligible for historic tax credits though then can long-term lease (lease is generally over 44 years) properties to non-profit or for profit entities that can apply for the tax credits. Non-profits can apply for and receive Massachusetts Historic Tax Credit, but in order for non-profits to apply for federal historic tax credits, the building must be owned or long-term leased by a for-profit subsidiary. Government entities can not receive tax credits, but could long-term lease the property to a third party as described above.

*2. Is a Historical Inventory Report necessary and/or desirable to apply for grants? Although each grant might have their own criteria what common paperwork typically must be done in advance to apply for grants?*

In order to pursue funds related to the historic character of the building, it usually must be listed on the National Register of Historic Places (NR) or found eligible. Currently, the building has no NR status and has yet to be found eligible. There are several ways to pursue an “opinion of eligibility” either through the historic tax credit process or the NR process. The confirmation that the building is eligible for listing should be done in advance of any grant applications.

Depending on the funds that are being applied for, additional material relative to the building’s physical condition may be required. In some instances, an owner may pursue a Historic Structures Report (HSR). The HSR is commonly undertaken by an architect or a structural engineer and address the physical conditions of the building and what needs to be addressed to bring the structure up to code. The report we supplied relative to our work is a lighter version of this document as it generally addresses the same issues but in less depth.

*3. What portion of your report would satisfy applications for grant and other funding?*

The impact of our report relative to pursuing grants is really dependent upon the type of funds that are being requested. Our report and its conclusions provide a framework for moving forward, which may be useful in seeking additional pre-development money in showing that the town has studied the building in depth. The report may not be as useful in pursuing bricks and mortar funds.

*4. Given the long lead times to apply for a National Historical Registration would it be prudent to have the Historical Inventory in place. Is there any downside? What are the advantages?*

As discussed in the report, any redevelopment of the building will potentially need many layers of funds to be successful. Given that historic tax credits will most likely be one of these sources, at a minimum it would seem prudent to pursue an opinion of eligibility that the building qualifies for the NR. The actual NR process does typically take 14-18 months, but if there is no specific reuse identified then there may be some time before the nomination must be filed.

From a regulatory perspective, once a building is in the state’s inventory or found eligible for listing on the NR, it is treated as though it is a historic resource that has already been listed.

*5. What portions of your report would satisfy the requirements of the Historical Inventory Report?*

The report focuses more on market related issues than the historic character of the building. There are small portions of the report that may be helpful but in general a NR nomination is akin to a master level thesis on why the building qualifies for the National Register. Given its pedigree, architectural quality and its high level of physical integrity, it seems highly likely that it does qualify.

*6. Do you know if any portions of your report be eligible for reimbursement in the grant application offered to assist towns in preparing the National Historical Registration?*

We do not believe our work is reimbursable under the MHC Survey and Planning Grant, but certainly the nomination itself would be.  
<http://www.sec.state.ma.us/mhc/mhchpp/Surveyandplanning.htm>

*7. Can you recommend grant writers that have a solid background in writing proposals for historical buildings?*

Since there are limited grant opportunities for historic buildings, there are not many specific grant writers that focus on this segment. If this is the avenue the town chooses to take, having an overall plan for the end use would seem to be the most important requirement relative to being competitive for any grants. Foundations are looking for a return of investment on their funds through the ability to highlight successful projects that have a defined path to completion.