



# The Art of Securing Historic Tax Credits

By [Lew Sichelman](#) | May 23, 2024

A vacant courthouse complex turned into multifamily housing shows how it's done, columnist Lew Sichelman writes.

The process of gaining Historic Tax Credits can be likened to the relationship status of many online dating profiles: It's complicated.

Though the credits can be a huge benefit to add to the capital stacks for conversion projects, developers face an extensive process of getting designs approved by the National Park Service.

The federal gatekeeper for HTCs wants the building's original character to be maintained as best as possible. And if developers apply for separate state historic credits there's another layer of government regulations and paperwork that must be negotiated.

## One win in the books

Walking through the story of one Historic Tax Credit project shows the opportunities and challenges that can come with an HTC deal. On the positive side, more than \$16 million was added to the capital stack for a \$62 million development that created more than 100 units of housing: roughly 25 percent of the total financing. On the downside, it took years to win those credits.

The adaptive reuse of a vacant courthouse complex in Worcester, Mass., was indeed a complex equation for developer, Trinity Financial, and its designer, The Architectural Team. There were four buildings in the project, each dating to a different era over the past 175 years with the first being delivered in the 1840s.

To qualify for HTCs, a building has to be on the National Register of Historic Places. While three of the buildings were already classified as such, getting the fourth added was a problem that took a significant time and energy.

Getting the structure designated as a historic place was a process that took five years, according to Alisa M. Augenstein, senior architectural historian for the Public Archeology Laboratory in Pawtucket, R.I. Then getting the reuse designs approved was a back and forth process that took another couple of months, according to Phil Renzi, associate at TAT.

“We had to go through a process with the Park Service to get the Fifties wing eligible so it could incur credits,” Augenstein told *Multi-Housing News*. “It took a little bit of give and take. It gets complicated.”

But that was only part of the process. Next, Augenstein said that they had to go through every part of the building where a rehab was taking place, from the masonry to the stairs to the windows and doors. “The interior buildout was broken down into courtrooms and lobbies, plus we built a museum space, and then your mechanicals and your site work,” she noted.

The second part of the process generally takes about three months from submission to hearing back from NPS.

“Each phase of that construction had details unto itself,” Renzi told *MHN*. “Particularly on the interior, floors, trim, lighting, things like that. That’s what made this particular project complex in terms of its review and approval process with NPS.”

## **Integrating courthouse designs into homes**

Considering that none of the buildings were uniform, the team had four times the amount of work on their hands. Each building had a different window system and all of the window trims and windows themselves were from different eras, Renzi explained.

“That meant extra details for the windows, extra details for the trim work,” he said. “There weren’t any original drawings, so we had to recreate all the trim profiles.”

Each era represented by the individual building meant several levels of negotiations on what was to be preserved and what had to be rehabbed to still make the project viable. Per example, Renzi explained that NPS wanted one courtroom from each era to be preserved.

Courtroom 5 was turned into a two-story resident lounge with a dome and big windows. And in another building, one tenant got an original courtroom complete with the judge’s bench in their home. The unit featured loft-style open space, a

kitchen island built against the back wall and the former judges' chambers converted into a bedroom and bathroom.

What could a resident make of the judges' bench, beyond a grandiose desk? As one possibility, Renzi suggested placing a sheet of wood over it to use as a dry bar.

Another design challenge was the tall, elegant wooden doors at the main entrance. Here, the design team engaged in a tug of war between the NPS and the local fire department; NPS wanted the doors preserved and the fire department said they weren't up to code.

The solution? The original doors were kept but left permanently open. Inside of them were new doors that the fire department could live with.

Stairs were treated differently in each of the eras, too. "We really had to be mindful of the design, so that it was complementary and also, in the public's view, appropriate," Renzi said. "It's an artful dance you have to undertake with NPS."

*My associate Mark Fogarty contributed writing and reporting to this story.*