

## DHR Response to Recent News Regarding 1650 Overbrook Road, Richmond

In response to recent news articles regarding a proposed tax credit rehabilitation project for a property at 1650 Overbrook Road in Richmond, the Department of Historic Resources (DHR) would like to clarify its position and correct the public record regarding our role in the project in connection with a proposed Special Use Permit now under consideration with the City of Richmond for the project.

DHR's official position regarding the rehabilitation of 1650 Overbrook Road was misinterpreted at a June 20<sup>th</sup> meeting of the City's Planning Commission, according to Julie Langan, DHR Director.

"Neither DHR nor the National Park Service, both of which reviewed this project for eligibility for historic tax credits, were involved in, or party to, any discussions or negotiated agreement between the property owner and the City regarding work that would be accomplished following conclusion of the five-year recapture period included in the federal historic tax credit regulations."

Moreover, the application submitted to DHR by the developer includes no information regarding possible future alterations that could be required by the City, once the federal recapture period expires.

DHR and NPS's conditional approval of the project is the product of extensive discussions and revisions spanning several years and is independent of the local Special Use Permit process and conditions. Through protracted discussions, DHR, NPS, and the developer reached an agreement regarding the scope of work presented. Again, nothing in those discussions or agreement disclosed the possibility that the City would require that windows be added.

It was only last week that DHR and NPS became aware of the inclusion of specific text in the proposed Richmond Special Use Permit that provides for the possibility that the City would require the developer to add new window openings in the windowless south elevation of the historic warehouse. Such an alteration would not meet the Secretary of the Interior's *Standards*, the guidelines by which tax credit projects are evaluated.

"This has been a particularly challenging project," Langan explains. "A critical first step for any tax credit project is to determine a compatible use for the building being rehabilitated. It has been and remains DHR's position that this building does not easily lend itself to use as apartments and that by pursuing this use, the path to certification was long and difficult."

The proposed timing for the future window work, which could be required at the discretion of the City's Director of Planning and Development Review, would intentionally fall outside of the five-year review and recapture period for federal historic tax credits.

That troubles Langan. "Although regulations limit the review of future work to a five year timeframe following completion, they did not anticipate a situation where a developer, prior to the commencement of a project, would be required to agree in advance to make alterations that would not meet the *Standards*," she explains. "The intent of the five year federal recapture period was to ensure a minimum term of commitment on the part of the property owner. It was not meant to be tacit approval for inappropriate work as soon as the five year clock runs out."

"The state and federal historic tax credits aim to incentivize the preservation and appropriate treatment of historic buildings and trigger revitalization of our historic communities. Planning at the outset of a project to make inappropriate alterations as soon as the five year look-back period expires is very disturbing and is an affront to the thousands who have used the tax credit program for its intended purpose, with long-term preservation in mind," Langan adds.

DHR and the developer are now discussing the implications of the City's requirement. If this requirement remains in the SUP, DHR will require that the applicant provide an amended application that addresses the possibility of future alterations that would not meet the *Standards*.

"Because DHR is now aware that there may be a material change in the project's scope of work as presented, we are prepared to request an amended application so that the project's eligibility for certification can be fully considered," stated Langan.