

District of Columbia  
Office of Planning



## PRESS RELEASE

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# Historic Tax Credits Create New Opportunities for Affordable Housing in DC

*New Report Highlights Underused Tool with Potential to Expand Affordable Units and Preserve Historic Buildings*

**(WASHINGTON, D.C.)** – The DC Office of Planning (OP) today released a report, ***Pairing Historic Tax Credits with Low-Income Housing Tax Credits in DC*** that details a successful but underutilized way to finance affordable housing and preserve the District’s supply of historic apartments.

Twenty projects in the District of Columbia have already used Historic Tax Credits (HTCs) to help finance the development of nearly 1,900 affordable housing units. While impressive, this is only a fraction of the potential. OP estimates that an additional 220 additional buildings may be eligible, which creates the opportunity to significantly expand the District’s stock of affordable housing.

“Pairing the subsidies not only preserves the historic character of our city and provides much needed affordable housing, but also catalyzes additional development within our neighborhoods,” said Eric Shaw, Director of the Office of Planning. “The Office of Planning and our Historic Preservation Office are committed to helping developers utilize these great financial resources.”

The federal HTC program, administered by the National Park Service in partnership with the State Historic Preservation Office, offers a tax credit equal to 20 percent of eligible construction costs, which can leverage approximately \$15,000 per unit of critical equity for the affordable housing project. Pairing HTCs with the federal affordable housing tax credit program, the [Low-](#)

[Income Housing Tax Credit](#), not only stimulates the creation of more affordable housing units, but also can incentivize the preservation of older buildings. Additionally, many projects are clustered in high cost or changing neighborhoods, presenting an opportunity to further invest in neighborhoods that need more affordable housing while reducing the need for local subsidies.

“This report clearly demonstrates to the development community that the pairing of these programs works. The city and the development community have a shared responsibility to build inclusive neighborhoods,” said Polly Donaldson, Director of the DC Department of Housing and Community Development (DHCD). “Pairing the Historic Rehabilitation Tax Credits with Low-Income Housing Tax Credits provides a much-needed boost to the District’s development and preservation of affordable housing.”

The goal of this guide is to demystify the historic tax credit program and present targeted recommendations to guide the treatment of historic tax credit projects within affordable housing policy. ***Pairing Historic Tax Credits with Low-Income Housing Tax Credits in DC*** provides a toolkit for housing developers to leverage this underutilized resource, including:

- An explanation of how to identify which kinds of properties may be eligible for the Historic Tax Credit;
- Project case studies, such as the Fort View and Webster Gardens Apartments renovation in Ward 4, which allowed existing tenants to purchase their renovated properties and won local and national affordable housing and historic preservation awards; and
- Pro-forma analysis of development costs with and without tax credits.

To download the report, please visit OP’s website at [planning.dc.gov](http://planning.dc.gov)

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