

WHERE CAN I FIND... FUNDING TO REPAIR MY HISTORIC COMMERCIAL PROPERTY?

Are you interested in rehabilitating a historic commercial property? Is the cost of rehabilitation or building maintenance stalling progress? You have options! The list to follow provides potential funding opportunities to help your project along.

1 **Is the property eligible for Historic Preservation Tax Credits?**

Two of the best sources of funding for historic commercial properties are the Federal and State historic preservation tax credits. Federal historic tax credits can return 10% to 20% of qualified rehabilitation costs, and Massachusetts State historic tax credits can return up to 20% of rehab costs to a developer, which can substantially reduce rehab costs.

You can find information on historic preservation tax credits here:

Federal credit:

<https://www.nps.gov/tps/tax-incentives.htm>

<https://www.nps.gov/tps/tax-incentives/taxdocs/about-tax-incentives-2012.pdf>

State credit:

<http://www.sec.state.ma.us/mhc/mhctax/taxidx.htm>

There's information on tax credits for Main Street commercial buildings on the National Park Service's website here:

<https://www.nps.gov/tps/tax-incentives/taxdocs/intro-main-street.pdf>

2 **Is the property eligible for other tax credit programs?**

Your project may be eligible for other Federal or State tax credits, such as New Market Credits, Affordable Housing credits, etc. Contact the Community Development or Economic Development Office in your municipality to find out more.

If your community doesn't have a Community Development Office, contact your Regional Planning Agency to see whether they have information on tax credits for businesses. You can find a list of the State's Regional Planning Agencies online here:

<http://www.apa-ma.org/resources/massachusetts-regional-planning-agencies>, or a map

here: <http://www.massmarpa.org/who-we-are>

http://www.cmrpc.org/sites/default/files/download/margis/MA_RPAs.pdf

Federal tax credits might also be available for small businesses who are making their facilities accessible. Go to the following websites for information:

<https://www.ada.gov/regs2010/smallbusiness/smallbusprimer2010.htm#tax>

<https://www.eeoc.gov/facts/fs-disab.html>

You will need to check with a tax specialist following the passage of Tax Reform Public Law No: 115-97 on December 22, 2017 to see if the above tax credits are still available.

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3 **Is the property eligible for Community Development Block Grants or other Federal and State grant and loan programs?**

Some communities have Community Development Block Grants (CDBG) or other sources of grant or loan funding to assist business owners with fixing up their property. Check with your community's Planning and/or Community Development Department to see whether they have such a program.

If you live in a small town, CDBG and similar programs are often managed through the Regional Planning Agency (RPA) rather than the municipality. You can find a map of the State's Regional Planning Agencies online here: <http://www.massmarpa.org/who-we-are>

If your property includes rental housing, you might be eligible for other tax credits, grants or loans from the Mass. Housing and Economic Development Department. For information about Housing and Economic Development programs, go to: <https://www.mass.gov/housing-development-programs>

In addition, the Advisory Council on Historic Preservation has a list of funding programs for community development projects online here: <https://www.achp.gov/preserve-america/federal-support>

The Small Business Association also has information on grants and loans on its website: <https://www.sba.gov/funding-programs/loans>

4 **Is your business in a rural community?**

The US Department of Agriculture sometimes has some grant and loan programs for businesses in rural areas. Go to this webpage for information: <https://www.rd.usda.gov/programs-services/programs-services-businesses>

5 **Has your community adopted the Community Preservation Act (CPA)?**

CPA is a program that provides funding for open space, affordable housing, and historic preservation projects.

To find out if your town has adopted CPA, go to the Community Preservation Coalition website. On this page - https://www.communitypreservation.org/map#anchor_list there's a drop-down list of all the CPA towns in Massachusetts. If your town's name is on the list, contact your CPA Committee to find out about application procedures. Contact information should be on your town's website or available at your Town or City Hall.

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(NOTE: Every community has its own standards for projects; some are reluctant to fund projects involving private property, because CPA projects must provide a “public benefit.” However, there have been instances where communities have funded private preservation work in exchange for a preservation easement or some other guarantee that ensures the project provides a public benefit.)

If your community does not have CPA, you might want to consider campaigning for its adoption. CPA funds are the biggest resource for historic preservation grants in Massachusetts. Find out more at the Community Preservation Coalition website: <http://www.communitypreservation.org/>

6 Is there a Community Development Corporation (CDC) in your area?

Community development corporations (CDCs) often provide loans, grants, and/or technical services to businesses in their service areas. Many CDCs have worked on historic preservation projects. Find out what CDCs serve your area by going to: <https://macdc.org/members>

7 Is the property connected with transportation in some way (a former railroad station, for example)?

Transportation Alternatives Program (TAP), part of the Moving Ahead for Progress in the 21st Century Program (MAP-21) is a federal transportation program that funds community-based projects that expand travel choices and enhance the transportation experience by improving the cultural, historic, aesthetic, and environmental aspects of our transportation infrastructure. Projects can include creation of bicycle and pedestrian facilities, streetscape improvements, refurbishment of historic transportation facilities, and other investments that enhance communities, access, and the environment.

More information is available at

<https://www.mass.gov/files/documents/2017/09/21/StatewideFundingPrograms.pdf>

It is unclear whether this program is currently funded.

8 Can MassDevelopment (aka Massachusetts Development Finance Agency) be a partner for your project?

MassDevelopment works with businesses, nonprofits, and local, State, and Federal officials and agencies to strengthen the Massachusetts economy. Offering a wide range of finance programs and real estate development services, grants and loans, MassDevelopment supports economic growth, development, and investment across all sectors of the Massachusetts economy. MassDevelopment staff work in collaboration with private- and public-sector developers, businesses, and banks to identify investors and leverage public and private funds to support economic growth.

More information is available by contacting the Massachusetts Development Finance Agency at <http://www.massdevelopment.com/>

9 **Is your property in a National Heritage Area?**

Although National Heritage Areas do not often provide funding assistance, they may be a source of technical assistance for projects.

There are five National Heritage Areas in Massachusetts. The National Park Service (NPS) provides technical, planning, and limited financial assistance to the National Heritage Areas. If your town is located in a National Heritage Area, your project might be eligible for funding or technical assistance. Check the National Heritage Area's website for information.

John H. Chafee Blackstone River Valley National Heritage Corridor -

<https://www.nps.gov/blac/index.htm> - covers Blackstone, Douglas, Grafton, Hopedale, Leicester, Mendon, Millbury, Millville, Northbridge, Sutton, Upton, Uxbridge, Worcester

Essex National Heritage Area - <https://essexheritage.org>

- covers Amesbury, Andover, Beverly, Danvers, Essex, Georgetown, Gloucester, Groveland, Haverhill, Ipswich, Lawrence, Lynn, Manchester, Marblehead, Methuen, Nahant, Newbury, Newburyport, North Andover, Peabody, Rockport, Salem, Salisbury, Saugus, Swampscott, Topsfield, and Wareham

Freedom's Way National Heritage Area - <http://freedomsway.org>

- covers Acton, Arlington, Ashburnham, Ashby, Ayer, Bedford, Bolton, Boxborough, Carlisle, Clinton, Concord, Devens, Dunstable, Fitchburg, Gardner, Groton, Harvard, Hudson, Lancaster, Leominster, Lexington, Lincoln, Littleton, Lunenburg, Malden, Maynard, Medford, Pepperell, Princeton, Shirley, Sterling, Stow, Sudbury, Townsend, Westford, Westminster, Winchendon, Woburn

Quinebaug and Shetucket Valley National Heritage Area (aka "The Last Green Valley") -

<http://thelastgreenvalley.org> - covers Brimfield, Charlton, Dudley, East Brookfield, Holland, Oxford, Southbridge, Sturbridge, and Webster

Upper Housatonic Valley National Heritage Area - <https://housatonicheritage.org>

- covers Alford, Becket, Dalton, Egremont, Great Barrington, Hancock, Hinsdale, Lanesboro, Lee, Lenox, Monterey, Mount Washington, New Marlboro, Pittsfield, Richmond, Sheffield, Stockbridge, Tyringham, Washington, and West Stockbridge.

10 **Does your community's Historical Commission have a grant or loan program for property owners?**

In a few communities, like Cambridge, the Historical Commission manages a grant or loan program to assist property owners in rehabilitating historic structures (storefront

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improvement programs, for example). Check with your Historical Commission to see whether your community does.

11 Are you a non-profit organization, or is there a non-profit organization involved in the project?

Non-profit organizations are eligible for a wide variety of grant programs. If you can partner with a non-profit (or if your organization is a non-profit), you might be able to take advantage of grants as well as historic preservation tax credits. Preservation Massachusetts has a long list of grants available on request.

12 Does your business have the potential to be a co-op or a Community-Supported-Enterprise (CSE)?

Co-ops and Community-Supported Enterprises receive their funding from members and small individual investors. They can be a good model for small, community-based businesses like food co-ops, country stores, and small restaurants. The Co-operative Fund of New England (<http://www.cooperativefund.org/>) provides loans to co-ops. Its website also has many links to other sources of information and funding for co-ops.

Community-Supported Enterprises (CSE) are a new type of small, community-supported business based on the Community Supported Agriculture model, whereby patrons purchase shares in return for discounts or products from the business. This model has been particularly successful in Vermont and may be a good model for rural and small-town businesses. For information about CSEs, go to:

<http://ptvermont.org/our-work/cse/>

13 Would you be willing to sell or donate a preservation easement for the property?

A preservation easement is a deed-related restriction that provides protection for historic structures. Sometimes communities will use CPA funds to purchase preservation easements on historic properties.

Preservation easements can also be donated or sold to government entities or non-profit organizations like Historic New England.

<https://www.historicnewengland.org/preservation/for-homeowners-communities/preservation-easement-program/>

While a donation won't get you the funds you need to repair your building, easements can help you to get income tax deductions or to lower your property taxes.

For information on preservation easements, go to:

<https://forum.savingplaces.org/learn/fundamentals/preservation-law/easements>

<https://www.nps.gov/tps/tax-incentives/taxdocs/easements-historic-properties.pdf>

14 Is the business part of a farm or connected to land that has conservation/open space potential?

If the business is agriculture-related, there might be funding to help keep the property in agriculture or preserve it as open space. You might be able to pay for renovations by selling the development rights for the land to the community, to the State, or to a conservation organization. Communities often purchase development rights to land using CPA funds.

The Massachusetts Department of Agricultural Resources (MDAR), through its Agricultural Preservation Restriction Program (APR), purchases development rights to farmland in order to ensure that the land remains in agriculture. Information about the program is online here:

<https://www.mass.gov/service-details/agricultural-preservation-restriction-apr-program-details>

(MDAR also has many other grant and loan programs for farmers. Check out their website for more information.)

Land trusts and conservation organizations will often purchase or accept donations of development rights to agricultural or open-space properties. The Massachusetts Land Trust Coalition has a list of land trusts on its website: <http://www.massland.org>

If you would like examples of historic commercial buildings that have been successfully rehabilitated for use, please contact PM's office.