



United States Department of the Interior

NATIONAL PARK SERVICE

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WASHINGTON, D.C. 20013-7127

IN REPLY REFER TO:

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Memorandum

To: Regional Directors, Rocky Mountain, Southeast, Mid-Atlantic and Western Regional Offices

From: Associate Director, Cultural Resources /Sgt./ Sonny L. Rogers

Subject: Evaluating deteriorated or damaged historic buildings for the purpose of the historic preservation tax incentives

The Chief Appeals Officer recently considered an appeal from a denial of certification of significance on the house at 2201 Massachusetts Avenue N.W. in Washington D. C. Attached is a copy of the appeal decision for your information. The Mid-Atlantic Regional Office denied the application on the advice of the Washington office staff because the building had been severely damaged by fire which resulted in an apparent loss of integrity. On the basis of additional information on the condition of the building submitted in the appeal, the Chief Appeals Officer determined that the building still maintains sufficient historic integrity as a building to qualify as a certified historic structure despite the damage caused by the fire.

The house retains most of its external wall structure but lost all of its interior structure and its roof in the fire. The appeal raised the issue of how much of the building could be lost and still be considered a certified historic structure qualifying for the rehabilitation tax credits.

Under present regulations an otherwise qualified building is considered not qualified as a certified historic structure, if:

- 1) in the case of individual listings, the qualities which caused it to be individually listed have been lost or destroyed (36 CFR 60.15(a)); or
- 2) in the case of buildings in a district the location, design, setting materials, workmanship, feeling and association have been so altered or have so deteriorated that the overall integrity of the building has been irretrievably lost (36 CFR 67.5(a)).

In applying these tests to damaged buildings, it should be considered that any building which has lost its internal structure must have a minimum of 75 percent of its external walls intact and structurally sound. If a damaged building has more than 75 percent of its external walls intact, it may qualify if it otherwise meets the standards in the

regulations. This guidance is adapted from the statutory language in the Economic Recovery Tax Act of 1981 which specifies how much of a historic building must remain after rehabilitation to qualify for an investment credit and therefore provides a consistent framework for evaluation.

If your staff has any questions about this guidance or the appeal please have them contact Carol Shull of the National Register staff, Interagency Resources Division.

Attachment