

**Joint Resolution in Support of House Bill 5430 for the Expansion of the Michigan State Historic Preservation Tax Credits Established under Public Act 343 of 2020**

**WHEREAS**, the historic buildings, residential neighborhoods, traditional downtowns, and older manufacturing facilities in Michigan's cities, towns, villages, and rural areas distinguish each community and provide character, beauty, and a sense of place that contribute to the quality of life enjoyed by each community and its residents and visitors; and

**WHEREAS**, the preservation and rehabilitation of these historic buildings, residential neighborhoods, traditional downtowns, and older manufacturing facilities contribute to the economic vitality of Michigan's cities, towns, villages, and rural areas; and

**WHEREAS**, Michigan greatly benefitted from the state historic preservation tax credit program available from 1999-2011 that leveraged \$71 million in credits to generate \$1.46 billion of investment in rehabilitation projects, leveraged \$251 million in federal tax credits that brought back federal dollars that would not otherwise have returned to the state, created 36,000 jobs; and

**WHEREAS**, preservation projects help meet Gov. Gretchen Whitmer's housing goal of building *or rehabilitating* 10,000 housing units, providing options at all price-points of affordable and market-rate housing, accommodating all age-groups, and sustainably recycling all types of historic buildings—from schools to mills to factories; and

**WHEREAS**, preservation projects are often the best fit for rural areas, small towns, and mid-sized cities where funding gaps are left unaddressed, thus complimenting the big economic development programs needed in Michigan's larger cities; and

**WHEREAS**, a preservation project's return on investment provides local benefits because smaller projects tap local suppliers for construction materials, employ professionals and skilled tradespeople who spend locally and pay local taxes, and have greater economic impact than equivalent new construction because rehabilitation is more labor-intensive; and

**WHEREAS**, preservation projects are recognized for advancing sustainability by keeping demolition waste out of landfills, curbing urban sprawl by utilizing existing infrastructure, eliminating the carbon released during both demolition and new construction, conserving the embodied energy invested during initial construction, retro-fitting older buildings to make them energy efficient, and recycling all kinds of historic buildings for new uses; and

**WHEREAS**, the historic preservation tax credit is the only program singularly focused on the state's oldest real estate that often exhibits the most intractable problems deemed too risky for traditional financing, providing a program underpinned by the simple provision of tax credits made available only after the owner has incurred all the risk, covered all the costs, and returned their property to use; and

**WHEREAS**, the current historic preservation tax credit program under Public Act 343 of 2020 did reinstate the 25% credit for both historic income-producing and residential projects, it did so with a \$5 Million annual credit cap that, within hours of its on-line portal opening, had applications representing \$368 Million in qualified work translating into \$92 Million of credit requests—over 18 times what was available; and


**WHEREAS**, the Michigan Legislature presently is considering House Bill 5430 that will increase the annual credits from \$5 Million to \$100 Million made available to owners of both historic income-producing and residential properties who complete their work in keeping with the U.S. Secretary of the Interior's *Standards for Rehabilitation*; and


**WHEREAS**, House Bill 5430 proposes additional improvements to the current tax credit program such as sorting applicants into four groups so their applications are compared with projects of similar size, increasing the 25% credit to 30% for residential and small income-producing projects, expanding eligibility so that projects from the smallest towns and unincorporated, often rural, areas of the state have access to the program, and more;

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and City Council of the City of Southfield supports House Bill 5430 and calls upon the Michigan Legislature to vote approval of this important legislation and Gov. Whitmer to sign it, to stimulate economic development while also protecting irreplaceable historic buildings and enhancing the quality-of- life in Michigan.


**Adopted: May 20, 2024**

  
Kenson J. Siver, *Mayor*

  
Michael Mandelbaum, *Council President*

  
Nancy L. M. Banks  
*Council President Pro Tem*

  
Charles Hicks, *Councilman*

  
Daniel Brightwell, *Councilman*

  
Yolanda C. Haynes, *Councilwoman*

  
Lloyd Crews, *Councilman*

  
Coretta Houge, *Councilwoman*