



National Trust *for* Historic Preservation

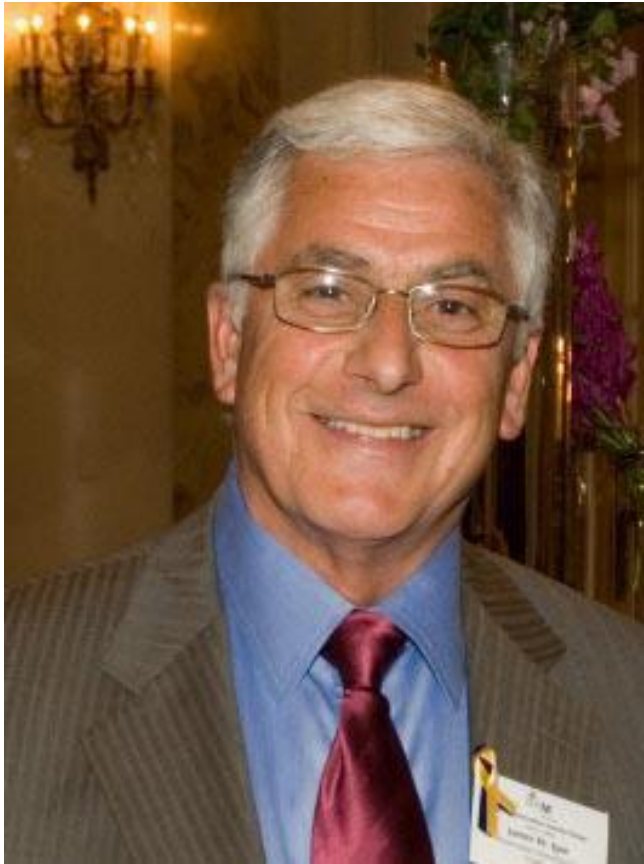
Preservation
Leadership Forum

WEBINAR

Federal Policy Response to the Coronavirus and Implications for Preservation Field

APRIL 2, 2020

TOGETHER WE ARE FORUM



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NTHP Outreach and Advocacy

- National Trust outreach from Field Offices and Outreach & Support Department to allies and partners
- What we learned: Changes to preservation work and priority issues
- We welcome feedback via forum@savingplaces.org
- National Trust engagement on coronavirus-related bills
 - Topics: Museum funding, charitable giving incentives, Small Business Administration loans, NEA and NEH funding

CARES Act: Museums and the Arts

- Three sections provide \$200 million:
 - Institute of Museum and Library Services (IMLS) - \$50 million
 - National Endowment for the Arts (NEA) - \$75 million
 - National Endowment for the Humanities (NEH) - \$75 million
- All three agencies are authorized to provide direct grants to support museum operations
- Funds can be used for general operating expenses; waives requirement to be project-specific
- Matching requirements are waived
- Funds are available until September 30, 2021

CARES Act: Museums and the Arts

- Additional information on NEA/NEH funds:
 - \$30 million (40%): For state and jurisdictional humanities councils
 - \$45 million (60%): For at-risk positions and projects at museums, libraries and archives, historic sites, colleges and universities, and other cultural nonprofits financially impacted by the coronavirus
- Timing: Applications and details posted on agency websites before April 30, 2020



CARES Act: Small Business Loans

Disclaimer: This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors for guidance on these matters.

Summary

- Paycheck Protection Program Loans: \$349 billion
 - Also known as: Emergency Small Business Administration (SBA) 7(a) loans

CARES Act: Small Business Loans

- Eligibility

- Small businesses, 501(c)(3) organizations, 501(c)(19) veteran’s organizations, and tribal business concerns described in the Small Business Act.
 - Also: Sole proprietors, paid independent contractors, self-employed individuals
- Must have existed on February 15, 2020 with no more than 500 employees
- When calculating the total number of employees, an “employee” includes individuals on a full-time or any form of part-time basis.

CARES Act: Small Business Loans

- **Loan Amount and Details**

- Formula tied to payroll costs: Maximum is the lesser of \$10 million or 2.5 times the average total monthly payroll costs (including benefits) from the one-year period prior to the date of the loan
- Payroll calculation: Average monthly payroll costs during the 12 month period before the date of the loan.
- Calculation of total monthly payroll costs and individuals with salaries exceeding \$100,000 annually
- Interest rate: Fixed .5%
- Loan term: Two years
- Payments are deferred for 6 months, interest will accrue
- Personal guarantee or collateral not required

CARES Act: Small Business Loans

- **Usage**

- Covering 8 weeks of average payroll and associated costs including:
 - Health insurance premiums, employee salaries, interest on mortgage payments or other debt obligations, rent, and utility payments
- Recipients not eligible for the employee retention credit, must certify the loan is necessary, and cannot receive duplicative funds for the same purposes
- Excludes taxes imposed or withheld under chapters 21, 22, 24 of the Internal Revenue Code. These sections apply to credits for household and dependent care services, the credit for the elderly and permanently totally disabled, and the Child Tax Credit.
- Excludes qualified sick leave and family leave wages under the Families First Coronavirus Response Act

CARES Act: Small Business Loans

- **Forgiveness**

- Loans will be forgiven in whole or in part under certain circumstances and restrictions, including:
 - Employers that maintain employment for the eight weeks after the origination of the loan would be eligible to have their loans forgiven
 - Note: Debt obligations not included
- Amount of loan forgiveness is equal to the amount spent by the borrower during an 8 week period after the origination date of the loan
- The forgiveness portion would be reduced by an amount related to eliminated positions and reduced wages, unless restored by June 30, 2020
- If the loan is forgiven, it is not taxable, but the borrower is not eligible for deferral of payroll tax or some other programs.
- An application with documentation is required; 60 day decision

CARES Act: Small Business Loans

- **Application**

- Available through more than 800 existing SBA-certified lenders
- Consult with an attorney with questions; this is a legal matter and the information will be relevant to your specific situation.

- Program is open until June 30 - loans will be in high demand, so we encourage you to explore the opportunity soon

- April 3, 2020: Small businesses and sole proprietorships
- April 10, 2020: Independent contractors and self-employed individuals

- Visit: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

- Borrower fact sheets: <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

CARES Act: Charitable Contributions

- Creates a new above-the-line deduction (universal or non-itemizer deduction that applies to almost 90% of taxpayers) for total charitable contributions of up to \$300
- Applies to cash contributions made in 2020 and can be claimed on individual tax forms next year
- Lifts existing cap on annual contributions for itemizers from 60% of adjusted gross income (AGI) to 100% of AGI for contributions made in 2020



CARES Act: Charitable Contributions

- Why is this provision important?
 - Standard deduction amounts were increased under the 2017 Tax Cuts and Jobs Act; the approximate doubling of the standard deduction meant fewer people itemized deductions
 - May have given people less of an incentive to make charitable contributions
 - In 2019, the percentage of taxpayers itemizing their deductions fell by more than half (*Source: Tax Foundation*)
- The provision allows even those NOT itemizing their deductions to claim the charitable deduction (up to \$300 in 2020)



CARES Act: Other

- \$10 billion: Economic Injury Disaster Loans (EIDL)
 - Eligible nonprofits and other applicants can get a loan advance for \$10,000 within three days
 - Can be used for providing paid sick leave for employees, maintaining payroll, mortgage/rent payments, and other operating costs
 - To apply: <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>
- \$5 billion: States receive \$5 billion in funding to be made available to the Community Development Block Grant (CDBG) program
- This is not an exhaustive list

What will Congress do next?

- We expect additional legislation, which means more advocacy opportunities
- Subject to evolving situation and pressing health and other essential needs
- Potential topics:
 - Charitable contributions
 - Public lands legislation
 - Historic tax credit
 - Infrastructure
- Things to watch for...



Opportunity: Charitable Contributions

- The underlying bill created a new above-the-line deduction (universal or non-itemizer deduction) for up to \$300 for 2020
- The Lankford Amendment was filed in the Senate (language NOT included in the CARES Act):
 - Improves the provision by providing an above-the-line deduction for charitable giving for up to one-third of the standard deduction (\$4,000 for an individual filer and \$8,000 for married joint filers) for the 2020 tax year.
 - The National Trust endorsed this amendment along with over 1,000 nonprofits



Opportunity: Great American Outdoors Act (S. 3422)

- If enacted, it would be the single largest federal investment in preservation of historic and cultural resources for public lands in our generation
- Deferred maintenance: \$9.5 billion over five years for NPS and other agencies
- Land and Water Conservation Fund: Full funding at \$900 million annually
- 58 bipartisan cosponsors, including Senators McConnell and Schumer





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Opportunity: Historic Tax Credit

- Enhance support for the Historic Tax Credit Growth and Opportunity (HTC-GO) Act
 - Key provisions include
 - Making it easier to complete small deals (deals with qualified rehab expenses of \$2.5M or less) by increasing the credit from 20% to 30%
 - Eliminating the back-end basis adjustment that decreases the value of the credit
 - 64 co-sponsors in the House (H.R. 2825) and 12 co-sponsors (S. 2615) in the Senate
- Improvements beyond HTC-GO



Tom Cassidy

Vice President of Government Relations
National Trust for Historic Preservation

Opportunity: Infrastructure

- Significant interest from the President and Congress
- [S. 2302](#), America's Transportation Infrastructure Act of 2019 passed Committee unanimously last summer
- House is developing legislation
- Current climate suggests funding constraints may be overcome by need for economic recovery
- The President called for a \$2 Trillion bill on Tuesday

Opportunity: Infrastructure

OPPORTUNITIES:

- Funding for transportation enhancements / improvements
- Funding for digitized cultural resource maps to promote efficient planning while protecting resources

CONCERNS:

- Possible exemptions from NEPA / NHPA reviews
- Legislative exemptions to section 106 and section 4(f)
- Arbitrary review deadlines



Sharee Williamson
Associate General Counsel
National Trust for Historic Preservation

Threat: Limiting Applicability of Federal Preservation Laws

- CARES Act includes exemption to National Historic Preservation Act and National Environmental Policy Act Compliance
 - Exemption only applies to General Services Administration
 - Exemption only applies to GSA coronavirus response actions (i.e. acquiring or improving properties to assist in pandemic response)
 - Exemption is unnecessary because NHPA and NEPA regulations already include emergency exceptions

Threat: Other Limitations

- Environmental Protection Agency announced relaxing of enforcement of environmental regulations
- Oil & gas industry seeking relaxation on public lands drilling requirements
- Possible trend of other industries or agencies seeking exemptions or independently relaxing their regulatory requirements
- National Trust monitoring to protect federal preservation laws

QUESTION AND ANSWER

Use the chat box on the bottom right to ask questions of the speakers.

Staying Up-To-Date

- The National Trust will continue sharing resources and federal advocacy opportunities as they become available
- Visit our website at forum.savingplaces.org and our social media channels
- Engage with our monthly Advocacy Newsletter – subscribe [here](#)
- Additional webinars forthcoming – subscribe [here](#)



The screenshot shows the National Trust for Historic Preservation website. At the top right, there are buttons for 'Join', 'Renew', and 'Donate'. The logo for the National Trust for Historic Preservation is on the left. Below the logo is a large photograph of the U.S. Capitol building at dusk, with the dome illuminated. Below the photo is the title 'Hill Watch' and a sub-headline: 'Final Action Within Reach for FY 2020 Appropriations, Setting New Record for HPF Funding'. The main text of the article begins with 'On Tuesday, the House of Representatives passed consolidated appropriations bills to fund the federal government for FY 2020. The final spending agreement includes many significant funding and policy accomplishments for historic preservation. Of note: The Historic Preservation Fund receives record funding for the third year in a row (detailed below).'



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Preservation
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WEBINAR

Thank you!

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Contact Us: forum@savingplaces.org

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