The federal historic tax credit (HTC) has led to more than $181 billion in investment over its 40 years, including $7.3 billion in investment in 2020. However, using the incentive to help fund the renovation of historic properties can be difficult to understand. In this week's Tax Credit Tuesday podcast, Michael Novogradac, CPA, and Novogradac partner Gregory Clements, CPA, examine the basics of the HTC incentive. They discuss how the tax credit is used, what makes a building historic and how to determine whether a rehabilitation will be eligible for HTCs. They then explain details of working with state and federal governmental agencies, how the National Parks Service application system works, who should be on your HTC team and the different transaction structures. They wrap up with a look at services that assist those involved in HTC transactions.

Summaries of each topic:

1. How HTC is Used (3:59-7:17)
2. What Makes a Building Historic (7:18-9:18)
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Transcript

[00:00:12] **Michael J. Novogradac, CPA:** Hello, I'm Michael Novogradac. And this is Tax Credit Tuesday. This is the Tuesday, February 8th, 2022 podcast. Today, we're going to talk about the basics of the federal historic tax credit.

This week's podcast is one of several podcasts that we're recording as part of a series that provides information on the basics of various federal community development tax incentives. Now the federal historic tax credit is the oldest federal community development tax credit. The historic tax credit was created in 1978, but it's gone through several iterations since then–the most recent as result of major tax legislation at the end of 2017. That legislation ended that 10% credit for non-residential buildings placed in service before 1936 and the same bill changed the 20% credit for certified historic structures from a one-year credit to a five-year credit. More specifically, under the legislation enacted as part of the 2017 tax reform, an eligible renovation claims a credit equal to 4% times the qualified rehabilitation costs every year for five years, for a total of 20% of eligible costs as a tax credit.

Now the public policy behind the creation and continuation the historic tax credit is to help developers offset the higher costs associated with preserving and retaining the historic character of existing buildings. To further offset those costs, more than 40 states have also enacted a parallel state historic tax credit that offsets state-level taxes. That is far and away more than the number of states that have enacted their own version of the low-income housing tax credit or new markets tax credit.

Now before introducing our podcast guest, I did want to also note that the historic tax credit is a major driver for activity. For example, according to the annual report from the National Park Service and Rutgers University, in fiscal year 2020, the federal historic tax credit led to the investment of over $7.3 billion that year and generated 122,000 jobs. And over its 44-year history, the historic tax credit has incented $181 billion in investment and created nearly 3 million jobs.

Now let me introduce my guest. My guest today is Greg Clements. He's a partner of mine based in Novogradac's Dover, Ohio, office. Greg works with clients in new market tax credits and renewable energy tax credits and the opportunity zones incentive, but perhaps most significantly for today's discussion, Greg is one of our resident experts about all things historic tax credit-related. Greg works with developers, investors and other stakeholders who finance properties with equity raised from syndication or monetization of federal and state historic tax credits.

Now we're going to start today's discussion by looking at who might benefit from using the historic tax credit. Then we'll review what makes a building eligible for the credit, which might surprise many of you. Then we'll talk about the range of expenditures that benefit from the credit. And finally, we'll wrap up with a discussion of who should be on your team, what it's like to work with the federal and state government agencies involved and probably most importantly, how Novogradac could help you.

Now there's a lot to discuss. So if you're ready, let's get started.

So Greg, welcome to Tax Credit Tuesday. I think this is your first time on the podcast.

[00:03:57] **Gregory Clements, CPA:** It is. Thanks for having me Mike, I really appreciate it.

How HTC is Used

[00:3:59] **Michael J. Novogradac, CPA:** So Greg, during the introduction, I did provide a brief overview of the historic tax credit. And with that said though, I would like to start by asking you a question that I'm presuming many of our listeners are thinking right now. And that is so why or how does a developer use the historic tax credit?

[00:04:18] **Gregory Clements, CPA:** Well, the historic tax credit's available to claim for owners of historic buildings that have a certified rehabilitation of that building. And, as you pointed out, it's available over five years now.

It is important to try to have the necessary capital available to rehab the building before the building's placed in service because you need to pay for it, so developers can use the historic tax credits and monetize those by allowing investors to enter into partnerships with them and provide equity to help pay for the rehab of the building. As you pointed out, there are federal tax credits available and also state tax credits, depending on what state you're in. They're not always just called state historic tax credits, there are many different kinds. So it's important to look at all the incentives in the location of where your building is at. If you're new to the concept about using historic tax credits or other incentives there are a lot of resources that Novogradac has, inclusive of a Historic Tax Credit Handbook. There's a booklet available and we also host webinars from time to time. And you can normally count on our annual Historic Tax Credit Conference in the fall, which not only acts as a great learning opportunity, but also an opportunity to network with all the industry participants.

[00:05:53] **Michael J. Novogradac, CPA:** Right. Yes. That's always a great conference and this year it'll be in October, so we encourage listeners to join us at that conference–it will be both virtual and in-person. But maybe as a follow-up on the historic tax credit, I did note early in my introduction how many states, more states have state-level historic tax credits than have low-income housing tax credits or new markets tax credits at the state level. But the low-income housing tax credit and new markets tax credit, those are competitive in that you have to apply for them in order to be eligible for the federal credit. Can you maybe explain to listeners that one of the benefits of this sort of tax credit is that you don't actually have to apply and compete? You have to apply, but you don't have to compete.

[00:06:43] **Gregory Clements, CPA:** That's right. The inventory of historic tax credits is only limited by the inventory of historic buildings. And I think as we're going to discuss in a little bit here, the amount of historic buildings is growing because more developers are saying, “my building is significant and should be included on the list of buildings that should be preserved.” So there is no, as you point out, there's no competitive application, but you do have to have your building qualified to be a historic building.

What Makes a Building Historic?

[00:07:18] **Michael J. Novogradac, CPA:** Let's talk about that for a moment. I will note that many state-level historic tax credits, or a credit that a building might be eligible for that isn’t necessarily called an historic tax credit, it could go under a different name. Many of those do have a cap and you do have a competition there, but the federal doesn't have any type of competition, even though there's an application process. Let's start with the broad question. Not all renovations of all buildings are eligible for the historic tax credit. Let's start with the building itself, because the building itself has to qualify and the renovation has to qualify. So in terms of the building itself, how does the listener know when their building is eligible for the historic tax credit from an initial qualification perspective?

[00:08:04] **Gregory Clements, CPA:** Sure. It's not always obvious, it could be a surprise, but generally, if the building is listed on the National Register or is located in a registered historic district and is listed as being of significance to that district, it would qualify. Developers, when they're trying to determine if they meet the historic criteria, they'll hire a historic tax credit consultant that will help prepare the Part 1 of the National Park Service application to determine if the building is exceptionally important and there are a lot of different criteria that could qualify that. It could be a famous architect or style. Someone could have been born, lived or died in the building. Or a building that is exceptionally important. And the scale isn't necessarily on the national level, it could be exceptionally important on the local or state level as well. So it's important to work with a historic tax credit consultant in order to even determine if your building is eligible for the historic tax credit.

Determining Whether a Rehabilitation Will Be Eligible for HTCs

[00:09:19] **Michael J. Novogradac, CPA:** And as you point out there is this National Register of Historic Places. And a building might be on it already or you might be seeking to apply to get on it if your building's not on it already. And that's your point about working with a historic preservation consultant who can help identify are you on it or could you get on it. And as you also note, there are historic districts, in which case if your building is significant to the district, you can qualify that way as well. So let's start with the building. Assume for the moment that the building is qualified or is eligible to get on the Register. Maybe you could give our listeners a sense of scale in terms of, if I'm engaging in this rehabilitation, not just any rehabilitation will qualify. So talk a little bit about how you determine if the rehabilitation you're going to undertake will make your project eligible for historic tax credits.

[00:10:18] **Gregory Clements, CPA:** Sure. Well, as many developers know, every rehab of a building is different in size and scope. And so there's a wide range of qualified rehab expenditures sizes, depending on the size and the scope of the rehabilitation. But let's talk about what a qualified rehab expenditure is and what that is, those are amounts that are incurred in connection with the rehabilitation of a qualified rehabilitated building that have a useful life of over 15 years and are depreciated over a straight-line method. So if we think about what that means, there's going to be a lot of hard costs–demolition, any abatement that needs done inside the building and then things like drywall, floors, elevators. But there will also be costs included in that that are soft costs that are necessary for the development of the building and get capitalized into the building, like insurance and taxes and utilities and sometimes even interest.

Now it's important to note that personal property is excluded from qualified rehab expenditures. You had asked about there being a minimum amount of work required and there is a requirement called the substantial rehabilitation requirement. And generally what that means is that the qualified rehab expenditures incurred need to be greater than the adjusted basis of the building when you start the rehabilitation. That's a test that gets done closer to the placed-in-service date. And I think that topic alone could be its own podcast.

[00:12:06] **Michael J. Novogradac, CPA:** This is the basics. Yeah. So it is, designed to be, as you note, substantial renovation. So that's the threshold there. So you can't just be making small improvements to the building and be eligible and then as you note, it is building costs. It is supposed to be offsetting the cost of retaining the historic character of the building, not the personal property of the building. So personal property is not eligible. And then I'd also just note that listeners can think about other costs that you wouldn't expect to be eligible, like expansion. It's not a credit that you get for building and adding floors to a building. You're not retaining historic character of a building by adding floors, so expansion costs aren't eligible. And then you did mention demolition costs sort of associated with work inside the building, which is eligible. But, as you know, but for our listeners' benefit, as you'd expect demolition of parts of the exterior of the building aren't eligible because the idea is to preserve buildings, not to demolish buildings. So that those types of costs there's types of demolition costs are eligible and types of demolition costs that are not, but, as you note, this isn't an advanced podcast on historic tax credits. We can't go into a range of issues around defining qualified rehabilitation expenditures.

But that is one of the reasons why assembling your team, which we'll talk about in a moment, is so important because every dollar of cost that is eligible for the historic credit does mean you'll get 20% more credits. So it is a very important calculation to make and it's also one that your investors would be focused on. But let's move beyond that. And let's now talk about some of the key players at the federal and state level that administer this credit. You know, we did discuss that it's not a competitive credit at the federal level in the sense that you're competing with others for a limited supply. It is in some ways an as-of-right, but you do have to meet various qualifications and there are two key agencies that oversee and administer the federal historic tax credit. At the state level, there's this state historic preservation office or officers and that often go by the acronym that is SHPO, pronounced Shippo. So the SHPOs play a role. And then at the federal level, you have the National Park Service within the Department of Interior or the NPS. And maybe you could explain Greg, the role of the SHPO, the state of historic preservation officers, and the National Park Service or NPS.

Working With a SHPO and the NPS

[00:14:55] **Gregory Clements, CPA:** Sure. In an effort to be eligible again for the credit, the work has to be a certified rehabilitation. So both the SHPO and National Park Service have to certify the rehab and that process is done through a three-part application.

[00:15:18] **Michael J. Novogradac, CPA:** Let me ask you this, before you jump into the three parts, explain to listeners why their renovation needs to be certified.

[00:15:26] **Gregory Clements, CPA:** Oh, it's a requirement that in order to maintain the historic significance of the rehab, the IRS–who you end up claiming the credit–they don't have the expertise to know whether you had a certified rehab on your building or not. And so the state historic preservation office and the National Park Service provide that oversight and certify and they end up having a visit and they say, "Yes, the work that you did was the work that you intended to do and is ultimately preserving the historic nature of the building."

[00:16:06] **Michael J. Novogradac, CPA:** Right with an emphasis on the fact that Congress didn't want to give a credit for renovation costs that didn't preserve the historic significance of a building. So it's the way that the federal government monitors that you did preserve the historic character of the building, such that you are eligible to claim the credit. But anyway, I interrupted you. Please discuss the three parts of the application process with the National Park Service.

Three Parts of NPS Application

[00:16:34] **Gregory Clements, CPA:** Sure. So the Part 1 is the evaluation of significance. This is the part where you would work with your historic tax credit consultant to determine if your building is significant and then at the end of that Part 1, you would have a certificate that says, yes, my building is significant and then we can move to Part 2.

Part 2 is a very big document and this is called the description of the rehabilitation. And this application typically will include many pictures and many descriptions about the areas inside the building, what's historically significant and how the developer is going to preserve and rehabilitate those unique items in the building. It could be tile, it could be windows, it could be terracotta that has to be refurbished. And so that description of rehab, Part 2 application, seems to be a little bit of back and forth: the developer will work with their consultant and their architect and come up with a plan and submit it and then the state historic preservation office will review it and provide comments and then they'll work together to end up getting to what the ultimate description of the rehabilitation is. And then from there, the work will be performed.

[00:18:07] **Michael J. Novogradac, CPA:** And that's a big point. You technically don't have to go through Part 2 before you start the rehab, but any investor isn’t going to invest in a building if they don't go through a Part 2 before they do the rehab, because that's where you work with a state historic preservation officer and the National Park Service to ensure that they support the work that you're doing and as you point out, oftentimes there could be negotiations on the type of work you're going to do, that the National Park Service and/or the state historic preservation officer wants to see in order to agree that your renovation will satisfy their requirement.

[00:18:45] **Gregory Clements, CPA:** Right. You'd hate to have to do some work over again, if they didn't agree.

[00:18:50] **Michael J. Novogradac, CPA:** Or do work that would cause you to never be able to comply such that you get no historic credits.

[00:18:58] **Gregory Clements, CPA:** Right.

[00:18:59] **Michael J. Novogradac, CPA:** And then Part 3?

[00:19:00] **Gregory Clements, CPA:** Part 3 is the request for certification of the completed work. So that normally comes after the building is placed in service and it's really the developer telling the SHPO and the National Park Service, “Hey, we're done. Come look at it, make sure you agree and sign off.” So all parts of the application are submitted to the SHPO, where the staff members review the application for completeness and accuracy and then the SHPO then sends the application components to the National Park Service with a recommendation.

[00:19:35] **Michael J. Novogradac, CPA:** And Part 3 is really what the focus is ultimately on getting. That's the part where Part 1, your building's going to be eligible, Part 2, what you plan to do, the cost you plan to incur will be eligible for the historic tax credit. And then Part 3 is after the fact that getting the National Park Service to say, yes, you're eligible for the historic credit.

[00:19:58] **Gregory Clements, CPA:** Right.

[00:19:59] **Michael J. Novogradac, CPA:** Without ever getting a Part 3, you’ll never be eligible for the historic credit, correct?

[00:20:03] **Gregory Clements, CPA:** That's right. The developer and, actually, the entity that owns the building and will report the qualified rehab expenditures on their tax return ultimately will need to affix the Part 3 to their tax return. I think it's within 36 months of putting the QREs on the tax return.

So that Part 3 is the communication from the National Park Service to the IRS. That it is a certified rehabilitation.

Building Your Team

[00:20:30] **Michael J. Novogradac, CPA:** So let's talk a bit about the team that a developer should be assembling if they've not been involved in historic tax credits before. If they have been involved, then they most certainly have this team and one of the themes of the various Tax Credit Tuesday podcasts is that a lot of what we talk about is complex if you don't have experience in it, but if you have a lot of experience in it, it can become relatively routine. And our advice to listeners is always to ensure that you're working with players for which these various incentives are routine and not new. So maybe you could discuss, Greg, some of the key players in an historic renovation. Obviously, there are a lot of players that don't need to have a lot of experience with historic tax credit, but there are some players that you want to make sure do have experience, so maybe you could discuss those players.

[00:21:33] **Gregory Clements, CPA:** Right. I think you're going to need a good team, as you pointed out, in order to identify if you have a historic building in the beginning, we talked about historic tax credit consultants and determining whether the building is significant and historic. So they're going to be very important. You're going to need an attorney and you may have two attorneys–you may have an attorney who you work with normally on all your development activities, but you also may need to hire a historic tax credit attorney, someone who's got experience in that area and they may work together and in tandem. If you've never had experience with syndicating historic tax credits, you may consider hiring a syndication consultant who could help identify investors for you. You're going to need an accountant to do a number of things, inclusive of financial projections and cost certifications and audits and tax returns potentially. And then depending on what fees and costs you have included in your construction budget, you may need an appraiser as well to not only help you appraise what it is you should pay for the building to the extent you don't own it already, but also you may need them to give a reasonable opinion on any related-party fees and costs that you have included. That will be a requirement of your investor.

[00:23:02] **Michael J. Novogradac, CPA:** So that’s good. That's good. Did you want to add something there?

[00:23:06] **Gregory Clements, CPA:** I was just going to go into the structures then.

[00:23:09] **Michael J. Novogradac, CPA:** Well, maybe before we talk about the structures, I'd also note beyond when you said you may need an attorney experience with historic tax credits. I would say you *do* need an attorney. You were being gentle. I would say you *do* need an attorney experienced with historic tax credits. You might also have a specific role for them but you definitely want to have an attorney experience in the historic tax credits, if for no other reason than the various structures you're going to talk about in a moment, that these aren't new structures to them, they know what the foot faults are because there are a number of areas where he could commit a foot fault, which you don't want to do. And also if you're working with an experienced historic tax credit attorney, they will have a lot of sample documents and they'll know what your structure is. They'll know what structure might be best for your given transaction and they'll have documents they've used for other transactions that they can then adopt to your particular transaction. I'd also note that from a contractor perspective, I'd also encourage listeners to work with a contractor that has experience with historic renovations. And if they don't have experience with historic renovations, there may be steps along the way that, as they're building the building, that they commit some foot faults that will lead to challenges getting your renovation certified. And in addition to the contractor having historic experience, I think also the architect. You clearly want to have an architect that has a lot of experience working with the National Park Service and state historic preservation officer with respect to renovations, because they will know what's allowable and not allowable, to a certain extent, which would go a long way going through and getting it Part 2 completed. But please talk a bit about different structure types. Once again, this isn't an advanced podcast, this is a historic tax credit basics, but maybe you could just say a few words about some of the different financing structures.

Financing Structures

[00:25:12] **Gregory Clements, CPA:** Sure there are really two. The first is a joint venture, where the investor and the developer are partners, most typically in a partnership, and that partnership owns the historic building and completes the rehabilitation of that building. And then, the owners, the investor and the developer, end up claiming the qualified rehab expenditures at that level and it just flows through. So it's a one-entity joint-venture structure.

The next one is more exciting. It involves a lease structure where the developer effectively has ownership in the entity that's performing the rehabilitation. And then before the building is placed into service, leases the building and the rehabilitation to an entity the investor owns and then the lessor makes an election to pass the qualified rehab expenditures to the lessee through the lease and then the lessee would then sublease to the ultimate users of the building.

[00:26:25] **Michael J. Novogradac, CPA:** Great. Thank you for that. So basically, like you say, property partnership, if you will, that the investor and the developer are partners in, or the investor, as you said, master leases the building from the ownership entity either directly or through a joint venture, with the developer potentially.

So let's talk a little bit more about some of the services that you provide or Novogradac more broadly provides, with respect to an historic tax credit transaction. Maybe do it from a lifecycle perspective in terms of how early does a developer typically reach out to you through the development process, through placement in service, even going out to after you go five years out and claimed the credits to the extent that an investor wants to exit at that time.

HTC Services

[00:27:21] **Gregory Clements, CPA:** Sure. I think you need to, as we said a couple of minutes ago, you need to assemble your team as early as possible. And your attorney and your accountant are going to be pretty important to get hired early on. As they're determining the structure that you go down, whether it be the ownership of the building or the lease structure, it is going to be important to decide early on. So initial structuring work with a developer is something I like to focus on, and that's the accountant, the attorney and the developer together will work on the deal structure, compile a structure chart, what would the best financing might be for that particular transaction? And each deal is going to be different, depending on the kind of incentives and the participants you have in the capital stack.

So I'll provide financial forecasting services that end up being a compilation and then there'll be a process when that starts and then a little bit a period of time where you work through financial closing and that's where you bring your lender to the table. You bring your tax credit investor to the table. And then at some point in time there'll be a financial closing. And then the developer will start rehabbing the project and when that's going on, I work with the developers to stay organized about keeping your invoices, all your costs incurred, things of that nature, because the next step that I normally will work on is a cost certification, which is normally required when you syndicate the historic tax credits with a tax credit investor. That's normally done and when that's completed, then Novogradac will work with developers to provide annual audit and tax work with those developers, make sure all the filings, or required filings, are done correctly. More broadly, Novogradac does have an appraisal services group and as I mentioned earlier, potential services that they could provide are appraisals for the acquisition and reasonableness opinions for related-party contracts and fees. And then Mike, as you pointed out, once the building's placed in the service and we're doing five or six years of these audits and tax returns, at some point the investor and the developer decide that they need to go their separate ways. And at some point, there is calculations about how to make that happen. So we do some level of tax planning for exits for our developer clients as well.

[00:30:18] **Michael J. Novogradac, CPA:** Right. And that exit is, or one version because you never know what's going to be the actual exit at the end of five years. I mentioned five years because that's the vesting period for the credits. It's when you claim the credits and the credits vest over five years, investors won't leave until they've gotten all their credits and the credits have fully vested. But as you've mentioned, the financial forecast really is what starts at the very beginning, takes you through the development phase, it takes it to through lease, through operations for five-plus years and then it'll oftentimes model one possible exit, but there's several ways in which investors can exit or choose to stay in. So it's not a given that what is in the forecast is will happen, but it is a version because you want to be, the forecast is designed to be the lifecycle of the development in order to have the lifecycle development, you have to have an exit that is initially forecasted.

So how early in the process do you generally recommend that a developer for reach out to you? If they're thinking maybe historic tax credits are possible or they don't know if they're possible or not. When in the course of that should they reach out to you?

[00:31:35] **Gregory Clements, CPA:** I would say the earlier the better and it doesn't necessarily mean that we have to start work. At some level it's just a conversation. A developer may have a building at a certain location and we could just have a brainstorming conversation about, have you thought about this incentive? Have you thought about that incentive? Have you looked at opportunity zones? Have you looked at new markets? Just a conversation to start to kick off. And even then, that's going to be a key conversation when you can you assemble your team. So I would say the earlier that you want to rehab a building, the better to reach out.

[00:32:17] **Michael J. Novogradac, CPA:** So there's obviously a lot more of the historic tax credit, as we mentioned several times in of course the podcast. There's other kind of more advanced future podcasts that we can have, but you did mention that we have a handbook. We do have a booklet. We do have our annual conference, which will be in October of this year, all focused in historic tax credit, which are good ways to get up to speed on the federal historic credit. But I'm sure that there are some listeners are going to reach out to you directly for counsel and to help assess whether or not the historic tax credit would work for one of their buildings or a building they're looking to acquire. So if you could share your email address and I will note to our listeners, I'll put that Greg's email address in the show notes as well.

[00:32:59] **Gregory Clements, CPA:** Sure. It's Gregory.Clements@novoco.com.

[00:33:11] **Michael J. Novogradac, CPA:** So that's Gregory.Clements@novoco.com. So thank you for that and as I mentioned, I'll share your email in today's show notes as well. So please do stick around, Greg, for today's Off-Mike segment, where I get to ask you a few off-topic questions so you can share some wisdom or advice with me and listeners.

And speaking of our listeners, please be sure to tune in to next week's episode of Tax Credit Tuesday. I'm going to be speaking with my partner, John Sciarretti about Novogradac's upcoming special report on qualified opportunity fund investment. The report will go through the end of 2021. We're going to talk about investment trends and how the opportunities zones equity investing marketplace is changing over time. The report will be released that morning, so you'll want to tune in to hear some of the highlights. You can be sure that you're notified of that episode and each week's episode, by following or subscribing to the Tax Credit Tuesday podcast. Go to www.novoco.com/podcast to subscribe to and stream the show on our website. You can also follow or subscribe to Tax Credit Tuesday on iTunes, Spotify, Google podcast, Stitcher and Radio Public.

Off-Mike

So now I'm pleased to reach our Off-Mike section, where I and our listeners get some off-topic advice and words of wisdom from our podcast guests. So I'll actually start, Greg, with asking you what's your favorite podcast and you can't say Tax Credit Tuesday.

[00:34:45] **Gregory Clements, CPA:** I'm tempted to. I actually have a podcast that I like to listen to, normally a podcast when I'm outside doing yard work. There's one called a Wine for Normal People and it's hosted by Elizabeth Schneider, who has a book of the same title and she speaks about all things in the wine industry, so normal people can understand and includes a good amount of history about why things are grown in certain regions and how the agricultural shift over the last couple of hundred years. So it's really fun. It's co-hosted by, I think it's her husband, who doesn't really know much about wine and he makes a lot of jokes and ask questions so I think it's fun and informative. I've learned a lot and, now I actually know what I'm looking at when I look at a wine list at a restaurant or go in the grocery store. So it's helpful.

[00:35:39] **Michael J. Novogradac, CPA:** Great. So let's get to some items that are, some might say, more practical. Maybe they're less practical that that. It has to do with your best time management tip or one of them.

[00:35:51] **Gregory Clements, CPA:** Yeah. So I function every day mostly by using Smartsheet and my Outlook calendar. I don't think I could handle a life without it. Those two items keep me really organized and I think the most important part of that was getting everybody on my team, including my family, to be on the same platform. It was a huge blessing. It was hard to stay organized before.

[00:36:15] **Michael J. Novogradac, CPA:** Do you have your family on Smartsheet?

[00:36:20] **Gregory Clements, CPA:** Not on Smartsheet, but on Outlook calendar. If you have tips on how to get my family on Smartsheet, that would be great.

[00:36:28] **Michael J. Novogradac, CPA:** Smartsheet's definitely a very useful tool. So my, third and fortunately for you, but not for us, my final question is what's the best, or one of the best, leadership lessons you've learned.

[00:36:38] **Gregory Clements, CPA:** I think, the one I liked the best is is one that you always say, and I've heard a lot of different people say it in many different ways, but basically it boils down to, don't be the smartest person in the room and all team members are valuable and we all are smarter together than any one individual. So I think that one rings true to me most frequently.

[00:37:03] **Michael J. Novogradac, CPA:** No, it definitely is, as you know, because you've heard me say it lots of times. It's definitely important to remember that any group is more knowledgeable than any one person in the group and the greatest challenge is how to get that knowledge to percolate up so you can capitalize on it.

So thank you again, Greg, for joining me for your inaugural Tax Credit Tuesday podcast, and to our listeners, I'm Michael Novogradac. Thanks for listening.

Additional Resources

Email

Gregory Clements

Novogradac Resources

Novogradac Historic Rehabilitation Handbook

Novogradac Introduction to Historic Tax Credits booklet

Novogradac Conference

Novogradac 2022 Historic Tax Credit Conference