Ohio Historic Preservation Tax Credits II
Federal Historic Preservation Tax Incentives
State Historic Preservation Office
Economic Impact of Historic Preservation

SUMMARY EXHIBIT 1
National Economic and Tax Impacts of Federal HTC-related Activity
FY 1978 through FY 2014 (HTC Investment: $117.6 billion in 2014 dollars)

Gross Domestic Product by Sector from Federal Historic Preservation Investment
($134,117 million cumulative, FY 1978-2014)

Income Created by Sector from Federal Historic Preservation Investment
($98,663 million cumulative, FY 1978-2014)

Jobs Created by Sector from Federal Historic Preservation Investment
(2,492,811 jobs cumulative, FY 1978-2014)

Courtesy of Rutgers University and the National Park Service
Rehabilitation

Rehabilitation is “…the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.”
Federal Historic Preservation Tax Credit

- 20% federal tax credit for rehabilitation of incoming producing properties that are listed in the National Register of Historic Places & determined to be historic
- Non-competitive & no rounds
- Must be considered a substantial rehabilitation per IRS requirements – (QREs)
- Administered by National Park Service in partnership with IRS and State Historic Preservation Offices (SHPOs)
- Five year look-back period
- Work must meet the Secretary of the Interior’s Standards for Rehabilitation.
Secretary of the Interior’s Standards for Rehabilitation

- Ten common sense principles emphasizing:
  - Preservation of historic character
  - Repair rather than replacement
  - Compatibility of alterations
- All types of historic buildings
- Pertains to exterior and interior features and spaces
Standard 1
Find a Compatible Use
Standard 2
Preserve Historic Character
Standard 3
Don’t Create a False Sense of History
Standard 4
Preserve Additions That Have Gained Significance
Standard 5
Preserve Distinctive Features
Standard 6
Repair Rather Than Replace
Standard 7
Do Not Cause Damage to Historic Building Materials
Standard 8
Protect Significant Archaeological Resources
Standard 9
Ensure that Additions are Compatible
Standard 10
Ensure that Additions are Reversible
Applying for the Federal Tax Credit

• First Step: Preliminary meetings with Technical Preservation Services Department (required for OHPTC)
  – Informal discussion, not a final recommendation (non-binding – meant to be informational)
  – Photographs and drawings facilitate the discussion
  – Red Flag of potential issues

• Applications are available on-line and through the State Historic Preservation Office (SHPO).
  www.ohiohistory.org/taxincentives
Federal Application Review Timeframe

- SHPO has a 30 calendar day review from the time any complete application is received – **ALL applications are reviewed in the order received**

- When additional information is required, the SHPO 30 day review “clock” begins anew (and responses are placed in the queue in the order the additional information is received).
  - It benefits the applicant to submit a complete application submission from the beginning of the review process.

- SHPO recommendations are forwarded to NPS
  - NPS has 30 days to review once the federal application fee has been paid, and NPS determines that the submission is complete (NPS also reviews in the order received)
Part 1 Applications

- Is the building historic?
- Time sensitive
  - If work is completed and building placed in service prior to the submission of Part 1, the project will likely not qualify for the 20% federal tax credits (IRS rule)
- Properties included within a historic district and individual listings with multiple buildings - district map w/property indicated -required
- Properties seeking any type of preliminary determination
  - individual listing or listing of a potential district must, at minimum, submit a draft of the narrative portions of the National Register form along with the Part 1 application

Applicant’s original signature required and signature box filled in correctly – this applies to every application. SHPO is not permitted to alter the applicant-completed cover sheets for any application.

Hard copy submissions of all materials required for every application part (Part 1, 2, 3, and Amendment)
Part 1 Applications

- Two identical sets of true “before” photographs of the building and site
  - Exterior elevations
  - Interior view and floors
  - Clear, well-focused, well-lit
- All photos must be labeled on the back with:
  - Address
  - Date photo taken
  - Brief description of view being shown
  - “before,” “during,” or “after”
  - Numbered sequentially and keyed to site and floor plans – (to be included)
  - Property must retain sufficient integrity of materials to be considered a building and historic
Certification of Rehabilitation
Preparing Part 2 Applications

- Projects must meet all ten Secretary of the Interior’s Standards for Rehabilitation

- The Standards do not require you to take certain actions
  - they only apply when you are proposing to do something physically to the building

(Remember that for all application parts, regardless of what they are, NPS requires two complete hard copy sets of all materials, and the application cover sheets may not be altered in any way and must be fully completed with the applicant’s original signature.)
Part 2 Application Submission

Provide an introduction to summarize the project. Include all features of the building and its site, historic or not.

- Explain everything to be done!
  - inside and outside no matter who’s paying
  - in detail in the narrative of the application

  - This means detail that is sufficient for us to determine the effect of the proposed work on the building and its components. Cannot simply refer to drawings or Preservation Briefs

- Unknown Work Item?
  - state that but also indicate the intended visual impact and state that no work will be done until details are submitted for review and approval by the SHPO & NPS

However, there must be sufficient detailed work descriptions to constitute a project
Part 2 Applications

- Most projects will require some drawings
- Drawings must be legible
- Remember that it is not sufficient to state in in the application’s description section “see drawings” – the work must be described in words in the application narrative to be considered part of the project. The drawings simply provide a visual for the proposed work that has been described in the application narrative.
- Other supplemental materials may include specifications, window survey, cut sheets, renderings, physical mock-ups of additions and sightline studies, sample materials, sample installations/mock-ups (windows), color-coded plans (interior and/or exterior)
- Indicate and explain/describe phased projects (federal tax credit projects taking 24-60 months)
Describe existing feature and its condition:

Description: the original wood double-hung 2/2 windows are in place throughout this 5-story building and are visible on all four facades, with the front being the primary elevation. The historic glass remains in most areas. The condition of 80% of the windows is fair to good (easily repairable), with some 20% of the total windows across all the facades in poor condition (see close-up and overall before window photos 23-38) due to missing glass, severely rotted wood members and separation; requiring more extensive repairs.
Describe work and impact on existing feature:

Original windows are to be retained in all locations. Windows in good condition will be gently hand scraped, sanded, and repainted in a medium gray color, similar to the color currently on the windows. Those windows in fair condition that are in need of repair will be photo-documented, carefully removed, and numbered as to location, and repaired to match. The repairs will entail, the use of epoxy and reattaching any loose members. Where wood window members are actually damaged beyond reasonable repair, (approximately 20% of the windows total between all four elevations have window members damaged beyond repair) those members will be photographed and milled to match exactly the historic member and reinstated. Any replacement glass will match the historic glass. Glazing will match. All repaired windows will be painted medium gray and returned to their historic openings and positions within the openings. After photos will be submitted of the window work.
SHPO Options for Part 2 Comments to NPS

- Project meets the Standards for Rehabilitation
- Project meets the Standards only if listed conditions are met
- Project does not meet the specific Standard(s)
- Project warrants denial for lack of information
- Project is being forwarded without recommendation
Window Tips

• Show window unit installed in the wall system via elevation and section drawings
• How does it fit...
  – In the historic window opening
  – Within the plane of the opening
• Show what is being left in place...
  – Blocking
  – Jambs, etc.
• How is it attached
• Show adequate detail of any extra features of wood or steel windows – for example...
  – Transom bar
  – Mullion
  – Operator
    - Brick mould
    - Hung window should include sections through upper and lower sash
Window Tips

- Elevation and Section Drawings
  - Draw at sufficient scale
  - Mock-ups helpful
  - Photos useful but not a substitute for drawings

- Primary Elevations/Significant Secondaries
  - Must demonstrate that historic windows were damaged beyond reasonable repair via photos
  - When damage is beyond reasonable repair, submit elevation and section drawings (to matching scale) of:
    - Historic windows and
    - Proposed windows

- Wait for NPS approval before ordering your windows
Fees & Appeals

- NPS fees at [http://www.nps.gov/tps/tax-incentives/app-process/fees.htm](http://www.nps.gov/tps/tax-incentives/app-process/fees.htm)

- NPS decisions may be appealed to the Chief Appeals Officer
Amendments

- Submitted after NPS has approved the Part 2
- If a written response is required
- Required when submitting materials promised in the Part 2 or subsequent amendments
- Required for describing new work – 5 Year Look-Back (post Part 3)
- Used to request in-progress reviews (phased)
- When in doubt check with your Part2/Part 3 reviewer
Amendments

- Summarize all changes, additions & deletions

- Describe the original proposal and the amended proposal, making clear what is different in the Amendment narrative and in any supplemental information

- Most amendments require accompanying materials
  - Drawings must clearly show what has been revised/is different (cloud or in some other way mark revisions)

- Combine revisions on one Amendment, if possible, and await NPS approval. Allow a minimum of 60 days (not including mail time) for completion of the Amendment review process by SHPO and NPS - if the Amendment submission is complete upon SHPO receipt and does not require additional information. Build this time into your project.
Certification of Completed Work

Part 3 Applications

- All work must be complete with all areas of the building finished at least to their before-rehabilitation appearance/condition. The Standards are flexible and don’t require you to take an action, but if you do, the work must meet the Standards. (Touch rule)

- The only metric permitted for federal historic tax credit project review is the Secretary of the Interior’s Standards for Rehabilitation.
Part 3 Applications

- Submit photographs of all areas of the building and site so that we can see the after-rehabilitation appearance, even if no work was done in a particular area.
- Materials showing/confirming compliance with conditions and point out the photographs that satisfy or show compliance with project conditions or Amendments.
- Amendment submission if necessary (including if some work item was not done).
- All completed work must meet all ten of the Secretary of the Interior’s Standards for Rehabilitation.
- Remember that there is a five-year “look-back” after work is completed/building placed in service.
- NPS Appeal process.
Tips for Successful Application Process

- Submit the Part 1 in time to meet the IRS rule
- Assure that Part 2 and Amendment narratives FULLY and CLEARLY detail what the after-rehabilitation condition/appearance will be – detail the work
- Don’t begin work until you’ve received NPS approval
- Don’t change an approved project without first seeking and receiving approval from the SHPO and NPS via the Amendment process
- If your project has a condition, pay attention to it and clearly state in your Part 3 application how it was met
- Give the project adequate time to make it through the process. Submit “clean” submissions early. Work with your SHPO reviewer who is there to help.
Recommended Historic Preservation Tax Incentives Web Sites

**State Historic Preservation Office, Ohio History Connection (SHPO, OHC)** - [www.ohiohistory.org/shpo](http://www.ohiohistory.org/shpo)

Federal Historic Preservation Tax Incentives program:
Federal Historic Preservation Tax Incentives (National Park Service—NPS)
[http://www.ohiohistory.org/taxincentives](http://www.ohiohistory.org/taxincentives)

National Register of Historic Places (SHPO, OHC)
[www.ohiohistory.org/nationalregister](http://www.ohiohistory.org/nationalregister)

Applying for the Federal Historic Preservation Tax Incentives program:
Federal Historic Preservation Certification Application and Instructions (NPS) - [http://www.nps.gov/tps/tax-incentives/application.htm](http://www.nps.gov/tps/tax-incentives/application.htm)

Check the Status of Application (NPS) - [http://tps.cr.nps.gov/status](http://tps.cr.nps.gov/status)
Recommended Web Sites continued…

Federal Standards and Guidelines for Rehabilitating Historic Properties:

The Secretary of the Interior’s Standards for Rehabilitation (NPS)
www.nps.gov/tps/standards/rehabilitation.htm

Planning Successful Rehabilitation Projects (NPS)
www.nps.gov/tps/standards/applying-rehabilitation/successful-rehab.htm

Illustrated Standards and Guidelines for Rehabilitating Historic Buildings (NPS) - www.nps.gov/tps/standards/rehabilitation/rehab/index.htm

Preservation Briefs (NPS) - www.nps.gov/tps/how-to-preserve/briefs.htm

The Internal Revenue Service (IRS) and the Federal Historic Preservation Tax Incentives program: The IRS Frequently Asked Questions (NPS) - www.nps.gov/tps/tax-incentives/before-apply/irs.htm

Internal Revenue Service (IRS) - http://www.irs.gov
Contact Information
Technical Preservation Services Department
State Historic Preservation Office, Ohio History Connection
Phone: 614.298.2000

Mariangela Pfister  
mpfister@ohiohistory.org
Rachel Krause  
rkrause@ohiohistory.org
Scott McIntosh  
smcintosh@ohiohistory.org
Richard Jarvis  
rjarvis@ohiohistory.org
Justin Cook  
jcook@ohiohistory.org
Lisa Brownell  
lbrownell@ohiohistory.org

National Park Service
John Sandor  
john_sandor@nps.gov
Karen Brandt  
karen_brandt@nps.gov

IRS Program Specialist
Colleen Gallagher  
colleen.k.gallagher@irs.gov
phone: 651.726.1480