

California Historic Tax Credit Components

Property Types

- Depreciable and Non-Depreciable Properties
 - Commercial, Industrial, Agricultural, etc.
 - Residential, including Homeowner Occupied

Qualified (Historic) Properties

- National Register listed (individual or contributor to a listed district)
- National Park Service (NPS) Certified State and Local Historic District listed properties
- California Register (may encourage submittal of local surveys)
- Need to address:
 - Moved buildings
 - Properties less than 50 years old
 - Multiple building properties

Qualified Rehabilitation Review Criteria

- Secretary of the Interior's Standards for Rehabilitation
 - Must be adopted as part of regulation language

Credits

- 10% for exterior only
- 10% historic landscaping
- 20% for exterior and interior work
- 5% bonus for specifics, such as:
 - LEED accredited
 - Affordable housing
 - Distressed and/or Designated Districts
 - BRAC (Base closure) properties
- Available to non-profits?

Review Authority

- Office of Historic Preservation: All 20% and potential others
- Certified Local Governments: limited to 10%? (CO)
 - How is level of review kept consistent?
- Other Governmental Agency
 - Department of Economic Development: program administration; eligibility and review for compliance with Standards responsibility of SHPO office (MO)

Ordinance/Regulations

- Allowable Criteria (what's allowed and not allowed)
- What will it protect and ensure protection?
- How will it be enforced?

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Inspections

- Not likely that SHPO staff would be able to visit projects.

Submission Timing

- Applicants must apply to the office before rehabilitation begins (MN)
- Only eligible costs accrued after the receipt of the completed application are eligible. (MO)
- Work completed prior to submitting a Part 1 eligible if there is adequate documentation and the work already completed meets the SOIS. (CO)

Eligible Costs

Hard costs associated with the physical preservation of an historic property, including demolition of non-historic features, carpentry, sheetrock, plaster, painting, ceilings, doors, and windows. Redecorating or any purely cosmetic changes that are not part of an overall rehabilitation or that do not enhance the property's historic character does not constitute eligible work. (per Harry Schwartz)

Factors that greatly influence effectiveness

- **Cap**
- **Transferability**

Additional Notes

- Treat as economic stimulus and not economic loss
- Historic Preservation tax credits are not "fix up an old building" tax credits; work must meet the SOIS (IA)
- Those states that allow work to be submitted after completion, find that many of those projects do not fully comply with the Standards. Completed projects must be reviewed as either meeting the SOIS or not. Denied projects typically appealed. Appeals rarely overturn state review if state review is sufficiently defensible.
- Through careful planning, states can create or adapt programs to suit their budget realities and meet specific policy goals for preservation, economic development, or targeted investment (Washington DC HPO 2013 report).

J:/tax/state tax credit outline 2013