

State Historic Preservation and Cultural and Entertainment District Tax Credit Program (HPCED) Instructions

General Instructions

Please carefully read all applicable sections of the Iowa Code and these instructions before compiling your application. Iowa Code Chapter 404A, as in effect on July 1, 2014, shall govern all applications under the State Historic Preservation and Cultural Entertainment District (HPCED) Tax Credit program. In the event that any provision of this application or its instructions are inconsistent with Iowa Code chapter 404A, the Code shall control. Questions and/or comments can be emailed to SHPOTaxCredit@iowa.gov.

Program Purpose

The HPCED Tax Credit Program provides a state income tax credit of up to 25% of the final qualified rehabilitation expenditures (QRE) for the sensitive rehabilitation of historic buildings. It ensures character-defining interior and exterior features and spaces of historic buildings are retained and helps revitalize surrounding neighborhoods. The tax incentives promote the rehabilitation of historic buildings of every period, size, style and type. Through this program, underused or vacant schools, warehouses, factories, retail stores, apartments, hotels, houses, offices, residences, and other buildings throughout Iowa have been returned to useful life in a manner that maintains their historic character.

Another 20% of the final QRE may be available if the building is income-producing and qualifies for the [Federal Historic Preservation Tax Incentives](#) program. **A separate application is required for the Federal Tax Credit Program.**

Application Process

As of January 26, 2015, all parts of the application process are now **submitted through an [online submission system](#), known as CACTAS**. All information related to your project – forms, photographs, documents, etc. – will be submitted through this online portal. All application parts are accepted year round. Registration applications for projects more than \$750,000 will only be accepted during the registration filing window. Registration applications for projects of \$750,000 or less will be accepted year round.

For further CACTAS information, how to sign up and create application, and naming conventions for electronic submissions, see the next section: Online Application Process Introduction aka the Online Guide).

The tax credit program consists of six steps:

- **Part 1** – Evaluates the building's integrity, significance and project eligibility
- **Part 1.5 Pre-Application Meeting** – Offers feedback to the applicant that will enable better prepared applications for the Part 2 submittal.
- **Part 2** – Evaluates if the proposed rehabilitation work meets [The Secretary of the Interior's Standards for Rehabilitation](#).
- **Registration Application** – Submitted materials evaluate the project's planning and financial readiness.
- **Agreement** – Establishes the terms and conditions that must be met to receive the tax credit and establishes the estimated amount of the tax credit.
- **Part 3** – Evaluates the completed work has met [The Secretary of the Interior's Standards for Rehabilitation](#) and that all other requirements of the agreement, laws, and regulations have been met.

Who May Apply

Only an “eligible taxpayer” may apply for the state tax credit. An “eligible taxpayer” is defined as the fee simple owner of the property or someone having a long-term lease which meets the requirements of the federal rehabilitation credit. The applicant may be a nonprofit but may not be a governmental body.

Applicants, if not the fee simple owner or a qualified long-term lessee, may also apply for the tax credit if:

- they “will qualify for the federal rehabilitation credit” allowed under Section 47 of the Internal Revenue Code AND
- they have notarized, written permission from the fee simple owner indicating the owner is aware of the application and has no objection AND
- they become the fee simple owner or have a long-term lease which meets the requirements of the federal rehabilitation credit allowed under Section 47 of the Internal Revenue Code prior to entering into an agreement with the Iowa Department of Cultural Affairs.

For additional clarification and documentation requirements see the Iowa Department of Revenue Guidance on Real Property Ownership and Eligibility (see Appendix).

Before You Apply

There are four factors that help to determine if your rehabilitation project would meet the basic requirements of the program.

1. The rehabilitation property is a building

Although the National Register of Historic Places lists structures, objects, and sites in addition to buildings, this tax credit is only available for buildings.

2. Significance Requirements have been met

A minimum of one must apply:

- Building must be listed on the National Register of Historic Places, or determined by the staff of the State Historic Preservation Office to be eligible for listing.
- Building must be contributing to the significance of a historic district that is listed, or eligible to be listed, on the National Register.
- Building must be designated as local landmarks by city or county ordinance.
- Barns constructed prior to 1937 and barns listed on or eligible for listing on the National Register.

3. Project meets the “Substantial Rehabilitation Test”

- For commercial buildings, qualified rehabilitation expenditures must equal at least 50% of the assessed value of the building (excluding the land) before rehabilitation, or \$50,000, whichever is less.
- For non-commercial buildings, qualified rehabilitation expenditures must equal at least 25% of the assessed value of the building (excluding the land) before rehabilitation, or \$25,000, whichever is less.

4. Proposed rehabilitation meets the Secretary of the Interior’s Standards for Rehabilitation

The work must meet the *Secretary of the Interior’s Standards for Rehabilitation* and *Guidelines for Rehabilitating Historic Buildings*.

Before applying, consult your accountant or tax advisor to make sure that this state tax credit is beneficial to you. Certain income and other restrictions may have a bearing on whether an owner is able to use the credit. Additionally, an applicant may not initiate the application process to apply for tax credits by submitting a Part 1 application on a project if all the work has been completed and the qualified rehabilitation project has already been placed in service, as used in Section 47 of the Internal Revenue Code.

Review Process

The State Historic Preservation Office of Iowa (SHPO) has a 90-day review period from the date a complete application for each Part is received. However, the 90-day period is not binding. For incomplete applications, the review will be placed on hold until all information is provided. At the time all requested information is received, the 90-day review period will restart. The application may be denied if any requested information is not provided. Parts 2 and 3 reviews will not start until payment of the review fee has been received.

Additionally, if the completed rehabilitation work does not meet [The Secretary of the Interior's Standards for Rehabilitation](#) as determined by the State Historic Preservation Office, or if the applicant does not otherwise comply with the terms of the agreement, law, or regulations, tax credits will not be awarded. Awarded credits may also be subject to recapture as described in Iowa Code.

Application Part 1

Building Information

- Historic Building name: This is the most appropriate historic name, as indicated in a national Register nomination, Iowa Site Inventory Form, etc.
- Project name: applicable to your project
- Address: street address

Applicant Information

The Applicant is the person or business entity that may be eligible to receive the tax credits (see Who May Apply section). If the Applicant is a corporation or partnership, give both the name of that entity and the name of the person who signs the form. If the Applicant is not the legal owner, see Who May Apply section for the legal documentation necessary to receive state rehabilitation tax credits for the project. Provide a street address; do not enter a post office box.

- Applicant Name
- Applicant Organization (if applicable)
- Address
- Email
- Phone Number

Project Manager Information

This person will be responsible for communicating updates to the entire project team. The State Historic Preservation Office will communicate only with the project manager and applicant unless an attorney or tax advisor is identified to handle certain matters.

- Project Manager Name
- Project Manager Organization (if applicable)
- Address
- Email
- Phone Number

Historic Status

- **National Register Listed:** A building which is **individually listed** on the National Register of Historic Places and has not been substantially altered since the time of listing is eligible to apply for state tax credits. To see if a building is listed on the National Register, visit the National Register website: <http://www.nps.gov/nr/research/>
- **Historic District:** A building which contributes to the significance of an historic district is likely to qualify for tax credits. Include the name of the district and specify whether the historic district is listed on the National Register or locally listed, or is a potential district (based on professional historic/architectural survey and evaluation). If you are unsure if your building is contributing to a national Register listed historic district, provide the property name, address, city, and county to SHPOTaxCredit@iowa.gov.
- **National Register Eligible:** A building that is individually eligible for the National Register due to its historic significance, integrity and historic context (as defined by the National Park Service” may also qualify for state tax credits. To find out if the State Historic Preservation Office has a prior Site Inventory Form on file for your building, provide the building name, address, city and county to SHPOTaxCredit@iowa.gov
- **Local Landmark:** A building that has been locally landmarked by action of local government is eligible to apply for state tax credits. Attach a copy of the city ordinance or county resolution that established the local landmark status
- **Barn Built Before 1937:** A barn constructed prior to 1937 is eligible for state tax credits.

Project Type

The state provides tax credits in two categories:

- **Commercial:** For income-producing buildings with qualified rehabilitation expenditures (QRE) that equal at least 50 percent of the assessed value of the building (excluding the land) before rehabilitation or \$50,000, whichever is less. See Iowa Code, section 404A and the IDR provided “Historic Preservation Tax Credits: Implications of Certain Funding Sources for QRCs,” for more information regarding qualifying rehabilitation expenditures, deductions, expenses and definitions.
- **Non-Commercial:** For all other non-commercial buildings with QRE that equal at least 25 percent of the assessed value of the building (excluding the land) before rehabilitation or \$25,000, whichever is less. See Iowa Code, section 404A and the IDR provided “Historic Preservation Tax Credits: Implications of Certain Funding Sources for QRCs,” for more information regarding qualifying rehabilitation expenditures, deductions, expenses and definitions.

Building Value

Enter the current value (from county assessor) of the building value only (property value minus land values) prior to rehabilitation.

Anticipated Qualified Rehabilitation Expenditures (QRE) of Project:

- Small Projects: The final QRE for all projects on this building by you as the applicant will be greater than \$750,000
- Large Projects: The final QRE for all projects on this building by you as the applicant will be less than or equal to \$750,000.

Email List

Add the email addresses of up to ten more members of your project team who you wish to receive notification of project status changes, i.e., Part 1 Submitted, Part 1 More Information Requested, Part 1 Approved, etc. Up to ten additional emails address may be added. Team members included in this list will not have access to the application in CACTAS, but will receive all notifications related to a project status change.

Documents

1. Iowa Site Inventory Form or Draft National Register of Historic Places Form

- a. All Part 1 Applications require an Iowa Site Inventory Form or draft National Register of Historic Places form **unless the building has been individually listed on the National Register of Historic Places**. Consult “How to Complete the Iowa Site Inventory Form” for instructions (see Appendix). If a property is located within a National Register of Historic Places listed historic district, please also include the name of the historic district and related information. Be sure that a current, full interior and exterior written description, outlining character-defining features and spaces, a period of significance and a statement of significance are included. Separate forms may be completed to include this information if it is not current or included in an existing nomination form or site inventory form.
- b. The State Historic Preservation Office will use this information to provide an opinion on National Register of Historic Places eligibility. The determination of the State Historic Preservation Office regarding eligibility is preliminary only and not binding upon the State Historic Preservation Office or the National Park Service. Preliminary determinations ordinarily become final when the building or historic district is listed on the National Register of Historic Places. Preparing the Iowa Site Inventory Form generally requires expertise in history, architectural history or related disciplines. A consultant may be hired to prepare these documents. A non-exhaustive list of consultants can be found at the [Preservation Iowa website](#).

2. Map

- a. Include a current map showing the building’s location in a city, town or township. Google maps are acceptable. Be sure the map includes street names and a north arrow.

3. Site Plan

- a. Include a current plan that clearly shows the current boundaries of the building in relationship to public roads; footprints of all buildings, structures, and any important landscape features; and a north arrow. The plan may be hand-drawn.

4. Color Photographs

- a. Good photographic coverage is a key element of the application; photographs supplement the narrative description. Submit clear, focused photos that document the pre-rehabilitated conditions (before any work begins) of the building’s interior and exterior, including the site and environment. The photos must include streetscapes showing the building in its setting, all exterior elevations of the building, include all floors, interior view of key rooms and spaces (taken from opposite corners of the room to capture the full view), and detail shots of important areas/features. All buildings on the property must be photographed, even if no work is occurring.
- b. Photographs must be taken at a sufficiently high resolution (at least 300dpi) to discern details.
- c. Label each photograph as follows:
 - i. Photo number (these numbers will be used as reference in written description and future Part 2 documentation)
 - ii. Historic building name
 - iii. Street address and city
 - iv. Date taken
 - v. Brief description of what is illustrated (ex: west elevation, north façade, 2nd floor NW bedroom, etc.)
- d. Submit the photos in Adobe Acrobat (.pdf) document, Microsoft Word (.doc or .docx) document, no more than 2 per page.
- e. The photos become the property of the Iowa Department of Cultural Affairs/State Historic Preservation Office and may be reproduced without permission.

5. Photo Key

- a. Plot each photo number on a map(s) and/or building floor plans, using arrows next to each photo number to indicate the location and directional view of each photograph. (see Appendix for example)

6. Tax Assessor’s Statement

- a. Attach a current copy; these forms are generally available online from the county assessor’s website. This documentation is used to verify the assessed value of the building, prior to rehabilitation, and the current ownership status. If the assessor’s statement is not current with respect to ownership, then documentation verifying the current owner is also necessary.

7. Ownership Statement

- a. If the applicant is not the legal owner, submit an explanation of how the applicant meets the definition of “eligible taxpayer” under Iowa Code section 404A.1, along with supporting documentation. See *Who May Apply* section and the IDR Guidance on Real Property Ownership (see Appendix) and Eligibility to Apply for the State Historic Preservation Cultural and Entertainment District Tax Credit under Chapter 404A as amended.

Signature

Signature information must be completed and appropriate boxes must be checked. Application cannot be submitted without doing so. This section **must be completed by the Applicant**; please refer to “Who May Apply” and **IDR Guidance on Real Property Ownership** for more information. For non-owner applicants, upload required documents (as per IDR Guidance-see Appendix) to the Non-owner Application section.

Pre-Application 1.5 Meeting

All applicants are required to attend the pre-application meeting prior to submitting the Part 2 application.

The purpose of this 45-minute meeting is to provide feedback to the owner, consultant, developer, designer, builder or other interested parties (jointly referred to as the “applicant”) that will enable the applicant to better plan and prepare for formal submittal of necessary documents for review.

This meeting offers an opportunity to give an overview of the proposed work and invite comments in preparation of the application. It will allow the applicant to ask questions they may have regarding these processes, requirements, or other aspects regarding their project. It will also provide an opportunity for staff to offer comments, observations and guidance which will enable the applicant to make informed decisions, as well as submit a complete package of material at the time of the Part 2 application submittal. This meeting will also offer pertinent information regarding technical assistance available through the NPS, State Historic Preservation Office, and preservation professionals.

Information required for the 1.5 pre-application meeting:

- Pre-application Meeting Request Form (see Appendix)
- If the applicant is not the property owner, a letter from the Fee Simple owner authorizing the State Historic Preservation Office to meet with the applicant and/or agent
- Preliminary plans/drawings
- Photos – exterior (all elevations) and interiors
- Preliminary list of character defining features and treatments or draft Part 2 application
- A list of questions for which you may need specific guidance

Please carefully review the 1.5 Pre-Application Form (see appendix) for further information. Technical assistance meetings and 1.5 pre-application meetings are held on Tuesday and Thursday afternoons and are either in person at the State Historic Preservation Office in Des Moines or online. Appointments are scheduled through the [online scheduler](#). Please note, a 1.5 pre-application meeting cannot be held until the Part 1 application has been submitted for a minimum of 30 days. Please be sure when scheduling the meeting that a date selected accommodates this 30-day minimum. This allows State Historic Preservation Office staff time to review the Part 1 application.

Application Part 2

Instructions

Part 2 evaluates that the proposed rehabilitation work meets [The Secretary of the Interior's Standards for Rehabilitation](#).

If the completed work does not meet [The Secretary of the Interior's Standards for Rehabilitation](#) as determined by the State Historic Preservation Office, or if the applicant does not meet the requirements of the terms of the agreement, the law, or regulations, the tax credits will not be issued.

Condition and Treatment Application

Part 2 describes rehabilitation work to be undertaken on the building. Part 2 will not be reviewed by the State Historic Preservation Office until Part 1 has been submitted and approved. Prior to submitting the Part 2, applicants must attend a pre-application meeting to discuss their project and review program guidelines with State Historic Preservation Office staff. This pre-application meeting is mandatory. Part 2 applications will not be accepted until the pre-application meeting has taken place.

Evaluating Part 2 Application

Proposed work will be evaluated using [The Secretary of the Interior's Standards for Rehabilitation](#) and will be determined on the basis of documentation of the pre-rehabilitative condition (before any work begins) of the building's interior and exterior, including site and environment.

The Standards apply to both interior and exterior work and the State Historic Preservation Office reviews the entire rehabilitation project, including any attached, adjacent or related new construction on the property. *The Standards* are applied in a reasonable manner, taking into consideration economic and technical feasibility. Approval of the Part 2 is based on whether the overall project meets *The Standards*. To receive a Part 2 approval, a rehabilitation project must be determined to be consistent with the historic character of the building and where applicable, the listed or potential historic district in which it is located.

Building Information, Applicant Information and Project Manager Information

This information carries over from the Part 1 Application; changes/updates can be made if needed.

Pre-Application Meeting

Please enter the date you attended (either in person or online/conference call) the required 1.5 Pre-Application Meeting with State Historic Preservation Office staff. This meeting is mandatory; Part 2 will not be reviewed and complete until this meeting has occurred.

Application Fee

Nonrefundable application processing fees are charged for reviews of Part 2 Description of Rehabilitation. Make check payable to "Department of Cultural Affairs" and add "STC Part 2" to the memo line. Applications will be placed on hold and will not be reviewed until payment is received. Send payment to:

State Historic Preservation Office
State Historic Tax Credit Program – 3rd Floor East
600 E. Locust Street
Des Moines, IA 50319-0290

**HISTORIC PRESERVATION & CULTURAL AND ENTERTAINMENT DISTRICT TAX CREDIT PROGRAM
INSTRUCTIONS**

Listed in the following table are the nonrefundable fees for review of the Part 2 Description of Rehabilitation:

Estimated Qualified Rehabilitation Expenditures	Part 2 Review Fee
\$50,000 or less	No Cost
\$50,000 to \$100,000	\$250
\$100,001 to \$750,000	\$500
\$750,001 to \$6,000,000	\$1,000
Over \$6,000,000	\$1,500

Building and Rehabilitation Project

Enter all information as requested. The estimated rehabilitation expenditures must be reported on the form and are defined as the project's total estimated "Qualified Rehabilitation Expenditures," or "QREs" pursuant to section 47 of the Internal Revenue Code. Please note that not all expenditures are qualified rehabilitation expenditures. For a project involving multiple buildings that were functionally related historically the expenditures reported on the form must be the total estimated rehabilitation expenditures of the entire project.

- Estimated Qualified Rehabilitation Expenditures (QRE)
- Year(s) Building Constructed
- Period of Significance (from submitted Part 1 documentation)
- Building Use Before Project
- Building Use After Project
- Floor Area Before Project
- Floor Area After Project
- Anticipated Start Date
- Anticipated Completion Date
- Housing Units Before
- Housing Units After
- Low Income Housing Units Before
- Low Income Housing Units After

Tax Credit Fund

Indicate if you have or are planning to apply for the Federal Historic Preservation Tax Credit.

If an applicant has received credits for this building from the Small Projects fund in the past, the applicant is now limited to using the Small Projects fund for this application. Total qualified rehabilitation expenditures for all applications on the same building by the same owner using the Small Projects fund are limited to \$750,000. If an applicant has received credits from a fund other than the Small Projects fund for this building in the past, the applicant is ineligible for the Small Projects fund on this or any future project for this building.

Indicate if the final qualified rehabilitation expenditures (QRE) will be over \$750,000 (Large Project) or \$750,000 or less (Small Project).

Email List

This information carries over from the Part 1 Application; changes/updates can be made if needed.

Documents

The State Historic Preservation Office review of the Part 2 Application evaluates that the rehabilitation is consistent with maintaining the historic character of the building and, where applicable, the registered or potential district in which the building is located. The State Historic Preservation Office reviews and evaluates all projects in accordance with *The Secretary of the Interior's Standards for Rehabilitation*. These ten standards are broadly worded to guide the rehabilitation of all historic buildings, such as industrial complexes, warehouses, schools, commercial buildings and residences. The underlying concern is the preservation of significant historic materials and features of a building – maintaining its integrity – in the process of rehabilitation. *The Standards* apply with equal force to both interior and exterior work, and the State Historic Preservation Office reviews the entire rehabilitation project (including any attached, adjacent, or related new construction) rather than just a single segment of work. Approval is based on whether the project meets *The Standards*.

The primary purpose of the documentation accompanying the Part 2 Application is to define and describe graphically the important aspects of both the existing conditions and the proposed treatment.

Description of work must be submitted on Description of Work forms. Two options are provided, a State form and the Federal form (do not include page 1). Either is acceptable.

- Submitted documents must identify the technical aspects of materials, building systems and rehabilitation treatments sufficient to address, describe or support the following:
 - Compliance with *The Secretary of the Interior's Standards for Rehabilitation*
 - Compliance with any applicable state or local codes
 - Potential visual and physical impact of all proposed treatments including those special rehabilitation concerns identified below
 - Structural analysis of any necessary remedial measures including demolition
 - Project estimate broken down by major trades or systems
- Special Rehabilitation Concerns
 - Several treatments can be especially problematic. The Guidelines for Rehabilitating Historic Buildings accompanying *The Standards* provide further guidance on these and other treatments. Owners should take care to address these concerns when undertaking work in any of these areas.
 - Storefront alterations. Justify changes to storefronts and provide photographs of the areas to be altered. Document the date of construction of the existing storefront and its condition. If a historical treatment is planned, provide the evidence on which the proposed new storefront designs are based. Owners are strongly discouraged from introducing a storefront or new design element that alters the character of the structure and its relationship with the street or that causes destruction of significant historic material.
 - New heating, ventilating, and air-conditioning (HVAC) systems. Indicate what effect the new equipment and ductwork will have on the historic building. New systems should not run across windows or introduce an “unfinished” character to finished interior spaces. Installation of systems that cause damage to the historic building material or visual loss of character may result in denial of certification.
 - New windows. If replacement is proposed, indicate the condition of existing windows (sash, glazing, muntins, etc.) and the reasons for replacement. Photographs and window condition survey must be provided as evidence of severe deterioration; provide data on the cost of repairing existing windows versus installing replacements. Owners are strongly encouraged to retain and repair historic windows. Tinted glass often causes a change in character and may result in a denial of certification. Where replacement of existing windows appears justified by supporting documentation and where the windows are an integral part of the building’s design and character, replacement sash should match the original in size, pane configuration, color, trim details, and planar and reflective qualities, and, in most cases, materials. Scaled drawings comparing the existing windows with the replacement windows should be provided.
 - Interior Partitions, trim, and finishes. Document existing condition of the interior. Indicate both historic and non-historic walls. Show walls to be removed or altered. Note whether trim and wall and ceiling finishes will be affected. Owners are strongly discouraged from

HISTORIC PRESERVATION & CULTURAL AND ENTERTAINMENT DISTRICT TAX CREDIT PROGRAM INSTRUCTIONS

changing historic floor plans unnecessarily and from exposing masonry surface unless this condition is supported by historical evidence.

- Exterior masonry cleaning. Owners are strongly encouraged to clean masonry only when necessary to halt deterioration or to remove graffiti and stains. Indicate the condition of each material to be cleaned. Specify what the cleaning is intended to accomplish (soot removal, paint removal, etc.) and what process is to be used. When chemical systems are to be employed, specify the product to be used, and provide specifications for the product application. For instance, information for cleaning involving chemical processes should include products to be used and water pressure in pounds per square inch (psi). Provide material to show that method selected will not harm the masonry. Summarize results of test patches and include close-up color photographs of masonry surfaces before and after cleaning as evidence.
 - Exterior masonry repair. Indicate deteriorated areas and describe repair method proposed. Provide evidence that repointing mortar will match the historic in composition (i.e., ratio of lime, cement, sand and any additives), color texture, and tooling. Owners are encouraged to repoint only those portions of the masonry that require repair.
 - New additions and new construction. New additions may substantially alter the appearance and form of historic structures, and may cause denial of certification. Similarly, new construction, including site work, may affect the relationship of a structure to its site, change the historic landscape, or otherwise damage the historic character of the property. Owners are strongly encouraged to obtain State Historic Preservation Office approval before undertaking projects involving new additions or new construction.
- Include Rehabilitation Documentation (plans, drawings, etc.)
 - Plans, drawings, etc. must show existing conditions and the proposed rehabilitation work and any new additions or new construction. Include floor plans and, where necessary, sections and elevations. Dimensions and notes must be clearly legible. For small projects, sketches may suffice (contact State Historic Preservation Office for clarification). Drawings must be numbered and keyed to the application narrative
 - Include Detailed Description Forms
 - See appendix for Description of Work forms. Two options are provided, a State form and the Federal form. Either is acceptable.
 - Describe **all** work that will be undertaken on the property, not simply work for which the tax credit will be sought. Describe each feature and the work that will be done on it. Begin with site work, followed by the exterior including new construction, and then the interior. Give the photograph or drawing numbers that show the feature and the marked photographs or drawing numbers showing the proposed work. Describe processes such as masonry cleaning in the application narrative; do not include specification books. Include information relevant to the application of *The Secretary of the Interior's Standards for Rehabilitation*. Submit Amendments (see Appendix) providing full details for work in later phases as they become available.
 - Under "Describe existing feature and its condition"
 - The architectural feature requiring work is clearly identified
 - A photo and/or drawing that shows the feature is referenced
 - The approximate date of the feature is provided
 - Provide information as to whether the feature described is original, was added later, or is new
 - The physical condition of the feature is provided
 - Under "Describe work and impact on existing feature"
 - The rehabilitation work to be done is explained in detail
 - A description is provided as to how the work will affect existing features (visually and/or structurally)
 - Drawings, numbered photos that show the work are referenced
 - The impact of the proposed work on the feature is described
 - Note: Where no work is being done to a major architectural feature or an entire area (such as windows, roof, second floor, etc.), a statement to that effect must be made on the application. Photographs are still required.

Examples - Part 2 Description of Work

Number 1	Feature <u>Siding</u> Date of Feature <u>ca. 1900</u>
<p>Describe existing feature and its condition</p> <p>The current siding appears to have been installed at the time of the 1900 expansion. The weatherboard is in fair condition except for those boards at the front of the house near the ground.</p> <p>Photo numbers <u>1-7, 10, 18</u> Drawing numbers <u>N/A</u></p> <p>Describe work and impact on feature</p> <p>Most of the siding will be scraped, sanded, and repainted. Those boards that are in poor condition will be replaced with cedar that will be cut to match the dimensions and profile of the existing weatherboard. All new siding will be installed to match the overlap distance of the existing.</p>	
Number 2	Feature <u>Windows</u> Date of Feature <u>mid-1800s</u>
<p>Describe existing feature and its condition</p> <p>The windows on the front and sides of the house are all matching 9/9 double-hung wood sash. Windows on the back are a variety of 20th century styles.</p> <p>Photo numbers <u>12, 19- 23</u> Drawing numbers <u>5.2 thru 5.5</u></p> <p>Describe work and impact on feature</p> <p>The historic windows on the front will be repaired, cleaned, and repainted. Windows on the back will be replaced with wood windows in a 1/1 double hung configuration.</p>	

Photos and Photo Key

Plot each photo number on a map(s) and/or building floor plans, using arrows next to each photo number to indicate the location and directional view of each photograph (see appendix for example).

- Good photographic coverage is a key element of the application: photographs supplement the narrative description. Submit clear, focused photographs that document the pre-rehabilitative condition (i.e. before any work begins) of the building’s interior and exterior, including features of significance. The photographs must include all significant spaces and features of the building even where there is not proposed work. Include all exterior elevations of the building, and representative interior views of rooms and spaces and features (taken from the corner of the room to capture the full view). Care should be taken to document existing conditions and illustrate proposed treatments related to Special Rehabilitation Concerns.
- Photographs must be taken at a sufficiently high resolution to discern details
- Label each photo as follows
 - Photo number
 - Historic building name
 - Street address and city
 - Date taken
 - Brief description of what is illustrated (ex. West elevation, north façade, etc.)

Photos should be inserted into a Word or Adobe Acrobat document (two images to a page) or an excel spreadsheet with appropriate labeling.

Special Considerations

- QRE Schedule (required) – Provide project cost estimate broken down by major trade or system using the QRE Schedule and Funding Sources Worksheet.
- Historic Images (if available) – Provide copies of any historic photos, fire insurance maps, or other such documentation that shows why a particular treatment has been proposed.

- Window Conditions Documentation (as required)
 - Where historic windows are proposed for replacement, thorough photographic and survey documentation of deterioration is necessary. This must include both exterior and interior window close-up photos and summary of conditions representative of the condition of each window type.
 - Dimensioned elevation and section drawings of existing window types, showing muntins, mullions, stiles, jambs, sash (top and bottom), and meeting rails, are required when historic windows are to be replaced. Dimensioned drawings of the proposed windows in the same scale as the existing drawings are necessary for comparison purposes. Note: The installation of a sample new window is often useful and may be required to evaluate the proposed window.
- Structural Analysis (as required)
 - If requested, proposals to demolish properties must be accompanied by a structural report prepared by a qualified engineer and by photographs of the building's current condition.

Signature

Signature information must be completed and appropriate boxes must be checked. Application cannot be submitted without doing so. This section **must be completed by the applicant**; please refer to “who May Apply” and **IDR Guidance on Real Property Ownership** for more information. For non-owner applicants, upload required documents (as per IDR Guidance-see Appendix) to the non-owner application section.

Application Part 2B – Registration Application

Please note that Registration applications for projects over \$750,000 (large) will only be accepted during the registration filing period. Registration applications for projects \$750,000 or less will be accepted year round. In CACTAS, when Part 2B Registration is started, please be sure to select the correct application, either Small (\$750,000 or less) or Large (over \$750,000).

Building Information

This information carries over from the Part 1 Application; changes/updates can be made if needed.

Applicant Information

The majority of the information carries over, however please add:

- FIEN or SSN number
- Type of Entity

Project Manager Information

This information carries over from the Part 1 Application; changes/updates can be made if needed.

Property Details

All information that must be completed:

- Total square feet
- Stories above grade
- Square feet above grade

- Anticipated start date
- Anticipated completion date
- Assessed value of property (immediately prior to project start)
- Is property exempt from property tax under State Historic Property Tax Exemption
- Have property taxes been abated on property
- If so, include an explanation as attachment
- Total project investment
- Estimated QRE
- Iowa HPCED tax credit requested

Property – Current Metrics

All information must be completed:

- Current space for: residential market rate only, low-income residential, retail, restaurant/bar, office, warehouse, manufacturing, educational/museum/library, hotel or other lodging space, parking, vacant, other

Property – Anticipated Metrics

All information must be completed:

- Anticipated space for: total residential (units), low-income residential, retail, restaurant/bar, office, warehouse, manufacturing, educational/museum/library, hotel or other lodging space, parking, vacant, other

Documents

Certification & Release of information: Download the Certification and Release of Information Template (found in the Appendix and the Part 2B Registration section in CACTAS). Answer all questions, print out the document, and sign. Failure to answer all questions may result in the project not being registered. Scan the signed document and upload to CACTAS. **Registration applications without this document will not be considered.**

Project Description: Provide a Word or Acrobat document with a summary of the project (400 words or less) including the historic property's significance and character-defining features as identified in the Part 1 Application, the proposed preservation or rehabilitation treatment of the property and the anticipated benefit to the community in which it is found. This project description may be used in part or in its entirety by the Iowa Department of Cultural Affairs to inform the public of department programs, activities, and efforts.

Application Part 3

Building Information

This information carries over from the Part 1 Application; changes/updates can be made if needed.

Applicant Information

The majority of the information carries over, however please add:

- Type of Entity
- Tax Period Ending Date

Project Manager Information

This information carries over from the Part 1 Application; changes/updates can be made if needed.

Application Fee

Nonrefundable application processing fees are charged for reviews of Part 2 Description of Rehabilitation. Make check payable to "Department of Cultural Affairs" and add STC Part 2" to the memo line. Applications will be placed on hold and will not be reviewed until payment is received. Send payment to:

State Historic Preservation Office
State Historic Tax Credit Program – 3rd Floor East
600 E. Locust Street
Des Moines, IA 50319-0290

Listed in the following table are the nonrefundable fees for review of the Part 2 Description of Rehabilitation:

Final Qualified Rehabilitation Expenditures	Part 3 Review Fee
\$50,000 or less	No Cost
\$50,000 to \$100,000	\$250
\$100,001 to \$750,000	\$500
\$750,001 to \$6,000,000	0.5 percent of qualified Rehabilitation costs (i.e., 0.005 x costs)
Over \$6,000,000	\$30,000

Project Information

Information to be provided:

- Project start date
- Project completion/placed in service date. This is the date that all work related to the project was completed.
- Building use prior to rehabilitation project
- Building use after rehabilitation project

Enter the measures of actual or anticipated use now that the project is completed, providing information for all relevant usage categories. For all usage categories that are not relevant, you must enter a zero.

- Total building square footage above grade
- Total residential space (units)
- Low-income residential space (units)
- Retail space (square feet)
- Restaurant/bar space (square feet)
- Office space (square feet)
- Warehouse space (square feet)
- Manufacturing space (square feet)
- Educational/museum/library space (square feet)
- Hotel or other lodging (guest rooms)
- Parking spaces (number)
- Other

Property Valuation and Taxation

- Indicate if the building is eligible for the State Historic Property Tax Exemption
- Indicate if property taxes have been abated
 - If yes, add number of years
 - Percentage
 - If property taxes have been abated and prior two fields are insufficient to describe the nature of the abatement, please provide a description
- Assessed or appraised value after project completion

Project Costs

- Total QREs
- Other non-qualified project expenditures
- Total project expenditures

Project Financing

Often applicants front project costs with either borrowed or personal funds. If this is the case and the federal and/or State Historic Preservation Tax Credits will be used to pay down one or more of these other sources of funding, do not include those other sources of funding in the financing amounts reported below. The system requires the sum of project financing to equal Total Project Expenditures as reported in the project costs.

- Private External Financing: Debt and Equity
- Internal financing
- Expected State Historic Preservation Tax Credit
- Expected Federal Historic Rehabilitation Tax credit
- Federal low income housing tax credit
- Iowa Enterprise Zone Housing Investment Tax Credit
- Iowa Workforce Housing Investment Tax Credit
- Local Forgivable Loan
- City Grant
- Low interest loans
- Other

Expenditures on Labor and Materials

Provide details on how project expenditures were divided between labor, materials, and other costs, such as architectural and engineering fees, permit fees, utilities, etc. The system requires the sum of labor and materials, and other to equal Total Project Expenditures reported in project financing.

- Labor costs
- Number of rehabilitation workers and hours worked
- Material and other costs
- Description of other costs

Expenditures by Location

Estimate as near as possible the shares of labor, materials, and other expenditures made within the county where the project is located, elsewhere in Iowa, and outside Iowa.

- Labor percentage location county
- Labor percentage other Iowa-numeric
- Labor percentage outside Iowa-numeric
- Materials percentage location county
- Materials percentage other Iowa-numeric
- Materials percentage outside Iowa-numeric
- Other percentage location county
- Other percentage other Iowa-numeric
- Other percentage outside Iowa-numeric

Email List

This information carries over from the Part 1 Application; changes/updates can be made if needed.

Documents

- For projects with a reservation of credits before July 1, 2014: Any project with QRE of more than \$750,000 shall include a certified statement by a certified public accountant verifying that the expenses include only qualified rehabilitation costs incurred during the rehabilitation period.
Any project with QRE of \$750,000 or less does not need a CPA statement
- For projects registered under the program on or after July 1, 2014: The applicant must engage a certified public accountant authorized to practice in Iowa to conduct an examination of the project in accordance with the American Institute of Certified Public Accountants' statement on standards for attestation engagements. This examination must be included in the Part 3 application.
This examination is waived if the final QRE do not exceed \$100,000 AND the project is funded exclusively by private funding sources (no government monies).
- Photo Key
 - Plot each photo number on a map(s) and/or building floor plans, using arrows next to each photo number to indicate the location and directional view of each photograph. (see Appendix for example)
- Color Photographs
 - Good photographic coverage is a key element of the application; photographs supplement the narrative description. Submit clear, focused photos that document the post-rehabilitated conditions (i.e. before any work begins) of the building's interior and exterior, including the site and environment. The photos must include streetscapes showing the building in its setting, all exterior elevations of the building, include all floors, interior view of key rooms and spaces (taken from opposite corners of the room to capture the full view), and detail shots of important areas/features. All buildings on the property must be photographed, even if no work is occurring.
 - Photographs must be taken at a sufficiently high resolution (at least 300dpi) to discern details.
 - Label each photograph as follows:
 - Photo number (these numbers will be used as reference in written description and future Part 2 documentation)
 - Historic building name
 - Street address and city

**HISTORIC PRESERVATION & CULTURAL AND ENTERTAINMENT DISTRICT TAX CREDIT PROGRAM
INSTRUCTIONS**

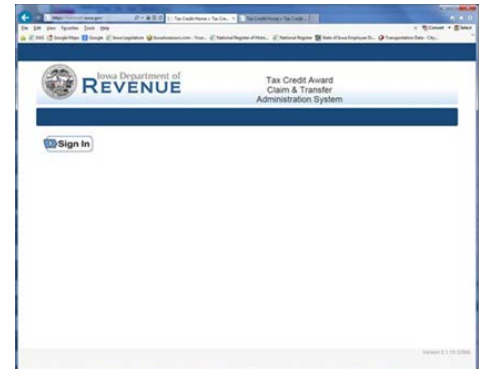
- Date taken
- Brief description of what is illustrated (ex: west elevation, north façade, 2nd floor NW bedroom, etc.)
- Submit the photos in Adobe Acrobat (.pdf) document, Microsoft Word (.doc or .docx) document, no more than 2 per page.
- The photos become the property of the State Historic Preservation Office and may be reproduced without permission.
- QRE schedule: upload a completed version (see appendix)
- Other documents: include other documents as needed.

Signature

Signature information must be completed and appropriate boxes must be checked. Application cannot be submitted without doing so. This section **must be completed by the Applicant**; please refer to “Who May Apply” and **IDR Guidance on Real Property Ownership** for more information. For non-owner applicants, upload required documents (as per IDR Guidance-see Appendix) to the non-owner application section.

Online Application Process Introduction

Since July 2014, the State Historical Society of Iowa and the Iowa Department of Revenue have been working to create an online portal for the State Historic Preservation and Cultural & Entertainment District Tax Credit Program (HPCED). On January 26, 2015, the [new online submission system](#), known as [CACTAS](#), went live. All application parts for the HPCED tax incentive program will now be submitted online. Information which was previously submitted on paper forms must now be entered by the applicant through CACTAS. See bullets below for special instructions for Amendments and 1.5 Pre-App Meetings. Attachments such as photos, assessor statements, Iowa Site Inventory Forms, etc. must be uploaded as separate PDF documents in CACTAS. Forms are available for download for your use via the Forms tab in CACTAS.



CACTAS Online Application Process

- If you previously submitted a paper application and have an active project, please refer to the **CACTAS Guidance for Current/Ongoing Applications** page of this guidance. Follow those instructions for creating an account and accessing the application in CACTAS.
- If you plan to submit an application, please refer to the **CACTAS Guidance for New Applications** page of this guidance. Follow those instructions for creating an account and accessing the application in CACTAS.

More Information Request (MIR)

- If you have a current, ongoing Part 1, 2 or 3 that is on hold as an incomplete application and need to respond to a More Information Request (MIR), you must upload the information into CACTAS. Please note that even though your contact information and project name is already in CACTAS, you will need to enter all the pertinent application information, along with the MIR information so that you have your complete application uploaded into CACTAS.

Amendments Process

- If you need to submit **Amendments** to current, ongoing projects, please email all information (use pdf attachments as necessary) to SHPOTaxCredit@iowa.gov. In the subject line please note the project number, historic building name, Part number and Amendment number and submittal. Please separate with underscore and use "A" for amendment. Use the following format: xx-xx-xxx_Hank Bldg_Pt2_A2_Submittal. See "Naming Conventions for Electronic Submissions" for further information on file naming.

1.5 Pre – App Meeting Process

- As of July 1, 2014, potential program applicants must schedule and attend a Part 1.5 pre-application meeting prior to submitting a Part 2 application. You must schedule the Part 1.5 meeting at least 30 days after submitting your Part 1 application by using the [online scheduler](#). After you've scheduled the meeting you must send the completed Part 1.5 form and relevant content via email to SHPOTaxCredit@iowa.gov. Use the following format in the subject line: **xx-xx-xxx_Hank Bldg_Pt 1.5 Form Submittal**. See "Naming Conventions for Electronic Submissions" for further information on file naming.

Please Note:

- The new Part 1, Part 2, Part 2B (Registration), Part 3 applications and instructions are now available online through CACTAS. Dates for the next Registration Period will be available on the website when they become available.
- As a reminder, application parts for the Federal tax incentive program should still be submitted per NPS guidance (1 original, 1 readable disk containing PDF copy of all application components).

Please refer to iowahistory.org periodically for updates to the process and procedures associated with this program.

For questions about creating an A&A ID or with CACTAS, please contact Berry Bennett at SHPOTaxCredit@iowa.gov.
For general program questions, please email SHPOTaxCredit@iowa.gov.

CACTAS Guidance for Current/Ongoing Applications

The submission and registration system (IDR CACTAS) for the State Historic Preservation and Cultural & Entertainment District Tax Credit Program (HPCED) is available online. All new A&A users must create an ID to enter and use CACTAS; please follow the instructions below. If you have questions or problems during the process, please email SHPOTaxCredit@iowa.gov.

To sign in, you will be taken to Enterprise A&A to login. If you already have an A&A account, please go to step #2, if not, you will need to create an account. All logins are through taxcredit.iowa.gov. Signing up for an A&A account will provide access to the full application process, which includes instructions.

NOTE: There are 3 levels of privileges within CACTAS;

1. Applicant and/or Project Manager (both require A&A Accounts)
 - Controls Applicant team, can set up new projects and had full access to application
2. Applicant Project Team Member (requires A&A Account)
 - Full access to application
3. Email List member (no A&A Account required)
 - Does not have access into the applications or submitted documents, but receives email correspondence at status changes (submitted, approved, request for more information etc.) to keep informed of the status of the project.

Who Should Create an A&A Account

- Owner/Applicant
- Project Manager
- Applicant Team Members
 1. Team Members must create their own A&A account
 2. Team Members must provide to the Owner/applicant and/or Project Manager their A&A ID (firstname.lastname@iowaid) and associated email (Owner/applicant and/or Project Manager needs this information to add team members to projects)

NOTE: As you enter information, please keep in mind that those with an account who are added as Team Members will have access to view and modify applications, those added to the email list receive status notifications, but do not have access to upload or review submitted data. This data includes, but is not limited to: application information, plans, photographs, financial statements, etc.

1. To access log-in, go to taxcredit.iowa.gov

- Select "Sign In"
- Create account through Enterprise A&A for IDR CACTAS

2. Link Current Application

With the projects already in progress (submitted prior to January 26, 2015), which were transferred from our old database to the new online application, we will need to link you to those projects. After you've completed the above step(s) you must send a confirmation email to SHPOTaxCredit@iowa.gov and include the following information:

- Subject line: A&A sign-up complete
- Your A&A ID (firstname.lastname@iowaid)
- The email associated with the A&A account
- List of your associated projects by STC# and building name (ex: STC14-77-521, Hank Bldg.)

When we receive your email, we will send a confirmation email to you that your existing projects have been linked to your account.

3. Log into IDR CACTAS at taxcredit.iowa.gov

- Select the HPCED tab to create applications on your Dashboard.

(CONTINUED)

CACTAS Guidance for Current/Ongoing Applications (continued)

4. Create Applicant Team

- As Owner/Applicant or Project Manager, create Applicant Team
- To the left of each project name on the dashboard is a link for applicant Team. The applicant Team is made up of the Owner/Applicant, Project Manager and designated team members. These are the people who can see and modify the online application (see note above regarding team members).

5. Begin Application Process

For each application, each Part must be submitted sequentially. A Part 2 cannot be submitted before the Part 1 has been acted upon by the State Historic Preservation Office and the 1.5 Meeting has taken place.

NOTE: Many of the required forms are available in a drop-down menu: amendment, pre-application meeting, certification & release information, and detailed description of rehabilitation and preservation work forms; QRE schedule; window survey; financing source tool; site inventory and national register nomination forms.

For general program questions, please email SHPOTaxCredit@iowa.gov

CACTAS Guidance for New Applications

The submission and registration system (IDR CACTAS) for the State Historic Preservation and Cultural & Entertainment District Tax Credit Program (HPCED) is available online. All new A&A users must create an ID to enter and use CACTAS; please follow the below instructions. If you have questions or problems during the process, please contact SHPOTaxCredit@iowa.gov.

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NOTE: Many of the required forms are available in a drop-down menu: amendment, pre-application meeting, certification & release information, and detailed description of rehabilitation and preservation work forms; QRE schedule; window survey; financing source tool; site inventory and national register nomination forms.

Naming Conventions for Electronic Submissions

The State Historic Preservation Office recommends the following file naming and abbreviations when submitting electronic files for submission, either through CACTAS, email, disk, flash drive, etc. This standard format will be used anytime we save and/or send out information related to a project. Using these standards will enable both the SHPO and applicants to easily determine what the project is and what the information contains. Questions, comments or suggestions should be sent to SHPOTaxCredit@iowa.gov.

Example of preferred file naming: **STC14-77-123_Hank Bldg_Pt2_A2_dwg** for a **drawing** file being submitted for Project **STC14-77-123**; The **Hank Building**, as a supplemental attachment for **Amendment #2** for an existing **Part 2**.

STC14-77-123_	Hank Bldg_	Pt2_	A2_	dwg
STC# (provided by CACTAS)	Historic Building Name	Application # (Part)	Response Label (MIR # or A#)	Document Type

STC# Provided by CACTAS when you begin an application
Historic Building Name Should be identified in the Part 1 application
Application #: Part 1 = Pt1, Part 2 – Pt2 typical
Response Labels MIR = More Information Request A = Amendment (A1 for first Amendment, A2 for second Amendment)
Document type preferred abbreviations: Desc = Description of Rehabilitation Dwg = Architectural and Mechanical Drawings PK = Photo Key Photo = Photos HPhoto = Historic Photos Wind = Window Survey QRE = Cost Estimate on QRE Form

Example of email subject line for second amendment is listed below:

STC14-44-123_Hank Bldg_Pt2_A2 Review Submittal

Example of email subject line for the submittal of a 1.5 Pre-Application Meeting submittal is listed below:

STC14-44-123_Hank Bldg_Pt1.5_Form Submittal

Appendix

[1.5 Pre-Application Form](#)

[Amendments](#)

[Certification and Release of Information](#)

[Description of Work – Federal Version](#)

[Description of Work – State Version](#)

[Financing Source Tool](#)

[Iowa Site Inventory Form](#)

[Photo Key Example](#)

[QRE Schedule and Funding Sources](#)

[Real Property Ownership and Eligibility](#)

[Registration Form – National Register of Historic Places](#) (long version)

[Window Condition Survey](#)