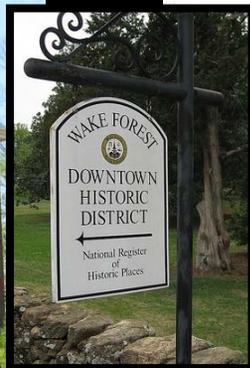




The Historic Rehabilitation Tax Credits and The Secretary of the Interior's Standards for Rehabilitation

Wake Forest • June 1, 2017

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Historic Rehabilitation Tax Credit Programs

1. Federal Income-Producing;
2. State Income-Producing;
3. State Non-Income-Producing or Homeowners; and
4. Federal Income-Producing for non historic.

What is a tax credit?

- A tax credit differs from a tax deduction. A tax deduction simply lowers the amount of your income which is subject to taxation.
- A tax credit provides a dollar-for-dollar reduction in the amount of taxes you owe. For example, if your tax bill is \$10,000, a \$4,000 credit will reduce your tax bill to \$6,000.

Federal Income-Producing Historic Rehabilitation Tax Credits

The federal historic rehabilitation tax credit program began in 1976.

The credit equals 20% of qualified rehabilitation expenditures.

The credit is available to owners and long-term lessees.

To qualify:

1. the project must be a certified historic structure;
2. the project must be income-producing and the building must be depreciated;
3. qualified rehabilitation expenditures (QREs) must exceed the adjusted basis = (purchase price - land value + capital improvements - depreciation); and
4. the work must meet the *Secretary of the Interior's Standards for Rehabilitation*.

Federal Income-Producing Historic Rehabilitation Tax Credits

Definitions

Certified Historic Structure -

- A building that is listed individually in the National Register of Historic Places; or
- A building that is certified as contributing to a National Register Historic District.

Qualified Rehabilitation Expenditures (QREs) -

- QREs include eligible “hard costs” and “soft costs”
- Not include acquisition, landscaping, furnishings, and expansion of volume of building

The *Secretary of the Interior’s Standards for Rehabilitation* -

- Are ten principles developed by the Secretary of the Interior to guide work on historic properties;
- Are used to judge the appropriateness of the proposed work to the historic property by our office and the National Park Service;

Federal Income-Producing Historic Rehabilitation Tax Credits

Past projects include:

- 1.houses;
- 2.commercial buildings;
- 3.schools;
- 4.industrial buildings; and
- 5.apartments



Weldon Commercial District

Federal Income-Producing Historic Rehabilitation Tax Credits

Applicant can undertake a non-phased or phased project.

Non-phased

Adjusted basis must be spent within a 24 month period.

Phased

Adjusted basis must be spent with a 60 month period where the rehabilitation is to be completed in two or more distinct phases of development. This is available when:

1. a set of architectural plans and specifications outlines all rehabilitation phases;
2. the plans are completed before the physical rehabilitation work begins;
and
3. it can be reasonably be expected that all phases will be completed.

Federal Income-Producing Historic Rehabilitation Tax Credits

- Credit must be taken in the year the building is placed in service.
- The credit may be carried back one year and forward twenty years.
- Taxpayer can undertake a historic rehabilitation tax credit project as often as possible as long as they exceed the adjusted basis of the building.
- Federal credit may be transferred with property so long as transfer of property occurs before it is placed in service.

Federal Income-Producing Historic Rehabilitation Tax Credits

The owner must hold the building for a full five years after completing the rehabilitation.

If the owner disposes of the property within the five year period of placing the building In service, the credit is subject to recapture.

The recapture rate is 20% for each year that the owner falls shy of owning the building for the five year period.

Recapture Rate Chart

Years of Ownership	Recapture Rate
0	100%
1	80%
2	60%
3	40%
4	20%
5	0%

Federal Income-Producing Historic Rehabilitation Tax Credits

- The National Park Service (NPS) administers the historic preservation certification side of the income-producing program, in partnership with the State Historic Preservation Offices (SHPO).
- The SHPO administers the program at the state level, with final authority resting with NPS.
- The IRS and NC Department of Revenue administer the tax and finance side of the income-producing programs.
- Taxpayers should consult a professional tax advisor, the IRS, or the NC Department of Revenue for help in determining the tax or other financial implications of any matter discussed here.

State Income-Producing Historic Rehabilitation Tax Credits

- The new tax credits for the rehabilitation of North Carolina's historic buildings were included by the General Assembly as a provision in the 2015 budget. G.S. 105-129.105-110.
- This new tax credit programs provide for Historic Preservation Tax Credits benefitting both income-producing (105-129.105) and non-income-producing (105-129.106) historic buildings.
- Effective January 1, 2016; sunset January 1, 2020.

State Income-Producing Historic Rehabilitation Tax Credits

- The state tax credit piggybacks onto the Federal Historic Rehabilitation Tax Credit.
- 15% state tax credit up to \$10M of QREs (\$1.5M).
- 10% state tax credit of QREs between \$10M to \$20M (\$1M).
- No state credit above \$20M.

State Income-Producing Historic Rehabilitation Tax Credits

- Development Tier Bonus for projects in Tier 1 or 2 county of 5% up to \$20M of QREs (\$1M).
- Note: Wake County is a Tier 3 county, and thus is NOT eligible for the 5% bonus credit.
- Targeted Investment Bonus of 5% up to \$20M of QREs (\$1M):
 - a. Manufacturing or agricultural buildings or public or private utility;
 - b. if the building is a certified historic structure; and
 - c. the buildings was 65% vacant for two years preceding the date of eligibility certification.

State Income-Producing Historic Rehabilitation Tax Credits

The owner must hold the building for a full five years after completing the rehabilitation.

If the owner disposes of the property within the five year period of placing the building In service, the credit is subject to recapture.

The recapture rate is 20% for each year that the owner falls shy of owning the building for the five year period.

Recapture Rate Chart

Years of Ownership	Recapture Rate
0	100%
1	80%
2	60%
3	40%
4	20%
5	0%

State Income-Producing Historic Rehabilitation Tax Credits

- Maximum state credit \$4.5M – based on a \$20M million project of a vacant manufacturing building in a Tier 1 or 2 county or \$3.5M in a Tier 3 county.
- The state credit must be taken in year structure placed in service and it can be carried forward for nine additional years.
- State credit may be transferred with property so long as transfer of property occurs before it is placed in service.

Federal and State Income-Producing Historic Rehabilitation Tax Credits Summary

- 20% federal tax credit for certified rehabilitations of income-producing certified historic structures.
- 15-25% state piggyback tax credit (up to \$20M) for certified rehabilitations of income-producing certified historic structures that qualify for the federal tax credit.
- The combined federal-state credits reduce rehabilitation costs by 35-45%.
 - 40-45% in Tier 1 and 2 counties, or
 - 35-40% in Tier 3 counties.

Federal and State Income-Producing Historic Rehabilitation Tax Credits Summary

\$100,000 Qualified Rehabilitation Expenditures (project of less than \$10M)

- \$20,000 Federal Tax Credit

- \$15,000 - \$25,000 State Tax Credit (\$15,000 to \$20,000 in Tier 3 counties)

\$35,000 - \$45,000 Tax Credits (\$35,000 to \$40,000 in Tier 3 counties)

\$55,000 - \$65,000 Net expense (\$60,000 to \$65,000 in Tier 3 counties)

State Non Income-Producing (Homeowner's) Historic Rehabilitation Tax Credits

Personal residences and ancillary buildings that do not generate an income, such as:

- 1.houses;
- 2.multi-family residential condominiums; and
- 3.garages, outbuildings, and other ancillary buildings.



Residence, Greensboro

State Non Income-Producing (Homeowner's) Historic Rehabilitation Tax Credits

- 15% state credit against qualified rehabilitation expenditure.
- Project cap, limits eligible rehabilitation expenses to \$150,000 – for a maximum credit of **\$22,500**.
- Project threshold is \$10,000 of qualified rehabilitation expenses.
- Eligible rehabilitation expenses must be incurred within any 24 month period.

State Non Income-Producing (Homeowner's) Historic Rehabilitation Tax Credits

- State credit must be taken in the year the building is placed in service.
- The credit may be carried forward for an additional nine years.
- Taxpayer is allowed to claim state credits for a rehabilitation once every five years.
- State credit may be transferred with property so long as transfer of property occurs before it is placed in service.

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

- Part 1 (Federal)/Attachment #1 (State) – Evaluation of Significance
- Part 2 (Federal)/Part A (State)–Description of Rehabilitation
- Part 3 (Federal)/Part B (State)–Request for Certification of Completed Work

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Evaluation of Significance

- Evaluation of Significance. Determines if property is a certified historic structure.
- Not required for single buildings listed individually in the National Register of Historic Places.
- Is required for a complex of buildings, such as a mill or farm, to determine which buildings are certified as historic.
- The Part 1 (Federal) must be submitted to the SHPO prior to completing the project and placing it in service.

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Description of Rehabilitation

- Description of Rehabilitation. Determines if proposed rehabilitation work conforms to the *Secretary of the Interior's Standards for Rehabilitation*.
- Owners who undertake rehabilitation work prior to Part 2/Part A approval from the SHPO and NPS do so strictly at their own risk.

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Description of Rehabilitation - Exterior

- Roof
- Masonry
- Woodwork
- Porches/Loading Docks
- Windows & Doors
- Outbuildings
- Alterations
- New Construction & Additions
- Site Work



108 S. Main Street,
Warrenton, Warren County

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Description of Rehabilitation - Interior

- Floors
- Walls
- Ceilings
- Woodwork
- Doors
- Structural System
- Floor Plan Alterations
- Plumbing, HVAC, & Electrical Systems



Lyerly Mill
Hickory, Catawba County

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

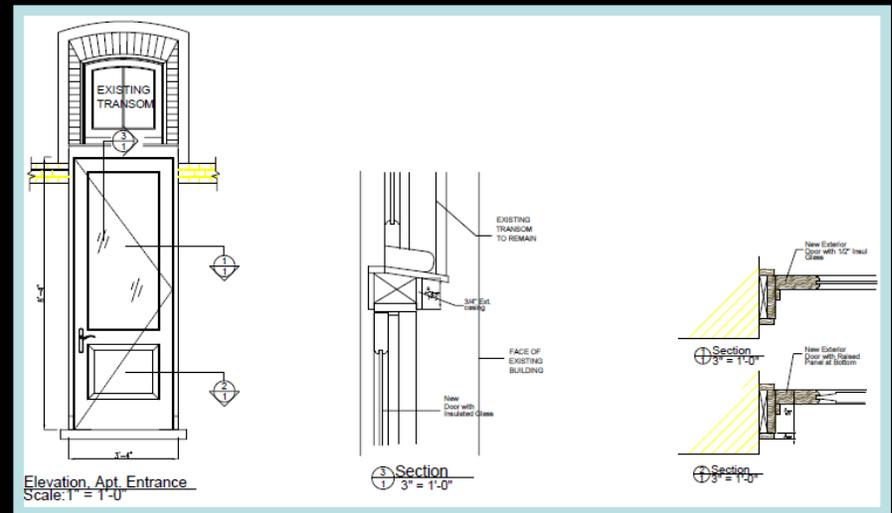
Application Requirements

- Two sets of photographs.
- Overall exterior views of the site.
- Exterior views of each exterior side of all buildings.
- Overall views of all major interior rooms or spaces on each floor of all buildings.
- Other photographs as necessary to explain the rehabilitation project.

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Application Requirements

- Two sets of drawings, if drawings are needed.
- Existing site plan, floor plans, and possibly elevation drawings;
- Proposed site plan, floor plans, and elevation drawings; and
- Other drawings as necessary to explain the rehabilitation project.



Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Request for Certification of Completed Work

- Request for Certification of Completed Work. Determines if completed rehabilitation work conforms to the *Secretary's of the Interior's Standards* and is therefore designated a certified rehabilitation.
- Submitted with two sets of after rehabilitation photographs.
- The IRS and NC Department of Revenue will need copies of this certification.

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Certified Rehabilitation

- All work must meet the *Secretary of the Interior's Standards for Rehabilitation*.
- Income-producing projects are subject to a joint review by the SHPO and NPS, with final authority resting with NPS.
- Non-income-producing projects are reviewed solely by the SHPO.

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Taking the Historic Tax Credits

- Owner must begin taking tax credit(s) for the year the project is completed/placed in service.
- For phased income-producing projects, the tax credits may be taken before completion of entire project on the basis of “qualified progress expenditures” if construction is planned for two or more years.

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Taking the Historic Tax Credits

- Federal historic tax credit may be carried back one year and forward 20 years.
- State historic tax credit may be carried forward nine years.
- Must be a certified rehabilitation as determined by the SHPO and NPS.

Federal and State Income Producing and Non Income-Producing Historic Rehabilitation Tax Credit Application

Minimum Expenditure Requirements

- Qualified rehabilitation expenditures on income-producing projects must exceed adjusted basis (purchase price - land value + capital improvements - depreciation) of building within a 24-month period or a 60-month period for phased projects.
- Rehabilitation expenditures on non-income-producing projects must exceed \$10,000 within a 24-month period.

Historic Rehabilitation Tax Credit Program Summary

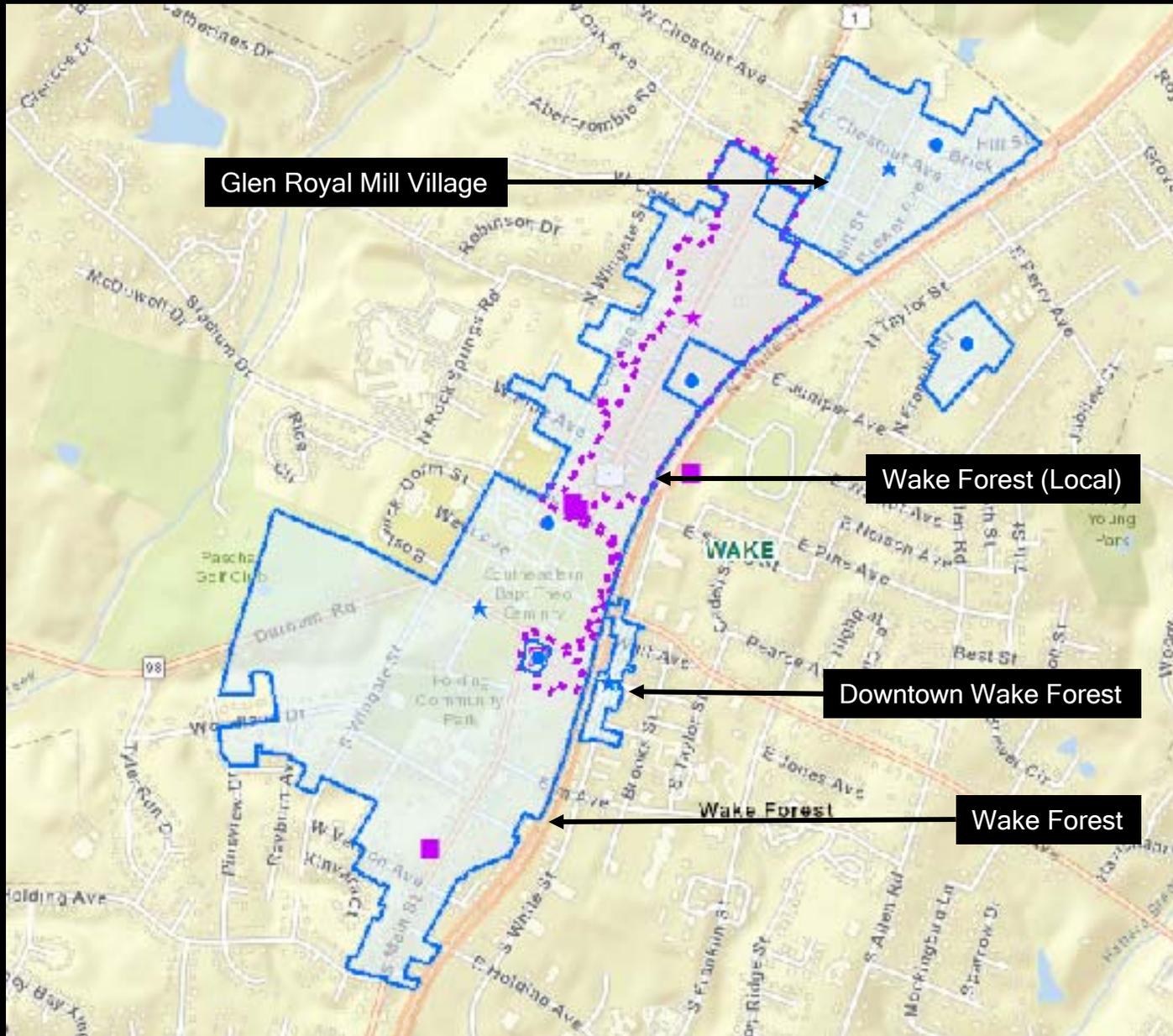
	<u>Federal Income-Producing</u>	<u>State Income-Producing</u>	<u>State Home Owners</u>
Certified Historic Structure	Yes	Yes	Yes
Depreciable	Yes	Yes	No
Work Must Meet Standards	Yes	Yes	Yes
Minimum Expenditure	Adjusted Basis	Adjusted Basis	\$10,000
Limit of the Credit	None	15% up to \$10M 10% \$10M to \$20M \$0 over \$20M	15% up \$150,000 \$0 over \$150,000
Time to spend QREs	24 Months 60 Months (Phased)	24 Months 60 Months (Phased)	24 Months
Reviewing Authority	NPS/SHPO	SHPO	SHPO
When to take the Credit	Year Placed in Service	Year Placed in Service	Year Placed in Service
Length of Credit	Back 1 year & Forward 20 years	1-10 years	1-10 years
Is Credit Transferable	Yes, before place in service	Yes, before place in service	Yes, before place in service
Subject to Recapture	Yes	Yes	No

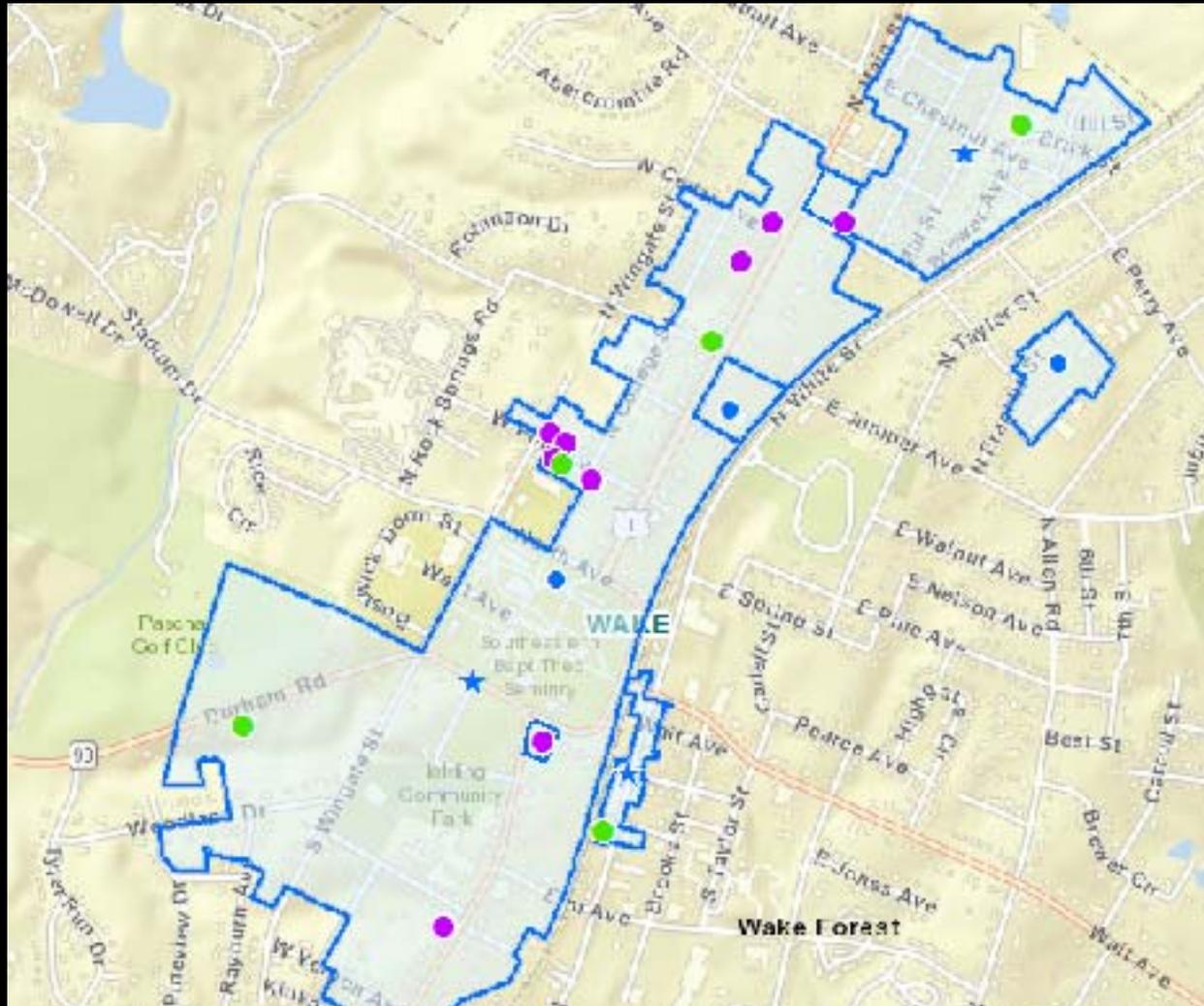
Federal Income-Producing Historic Rehabilitation Tax Credits Non Historic Rehabilitation Tax Credit Program

- 10% federal tax credit for rehabilitations of income-producing non-historic structures built before 1936 and used for nonresidential purposes.

Wake Forest Area Historic Districts

GIS mapping service available at: <http://gis.ncdcr.gov/hpoweb/>





Rehabilitation Tax Credit Projects in Wake Forest

Historic District	Income-Producing	Homeowner
Downtown Wake Forest	1	0
Wake Forest	3	8
Glen Royal Mill Village	1	2
Individually Listed Property	0	1

The Economic Impact of the Rehabilitation Tax Credits in North Carolina



Culbreth Warehouse
Fayetteville, Cumberland County



Rainbo Restaurant and Hotel, Cameo Theater,
and Rude Awakening Coffee Shop
Fayetteville, Cumberland County

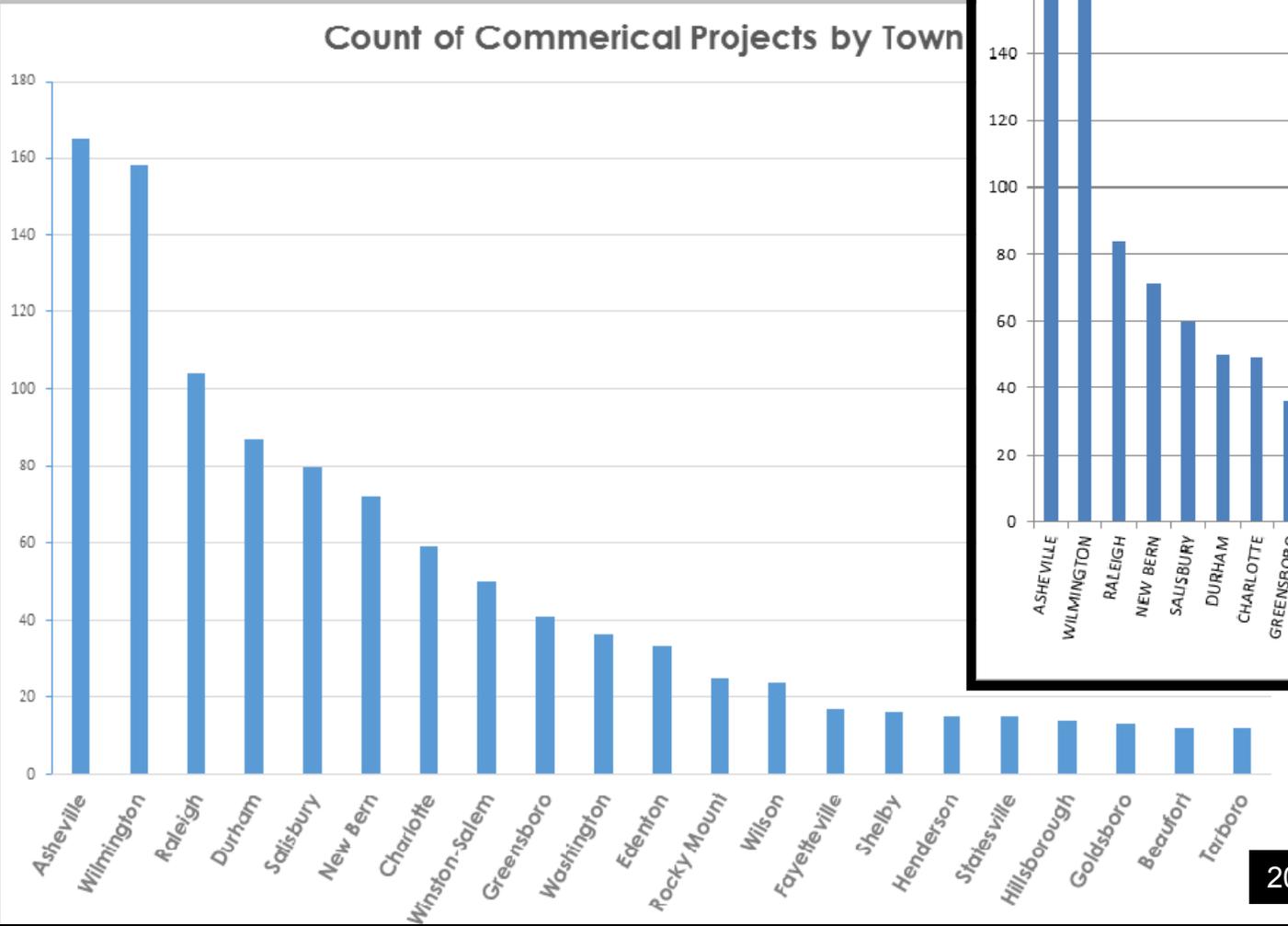
The number of projects and the total investment have exploded since the state created their piggyback tax credit to the federal program.

Income Producing Projects

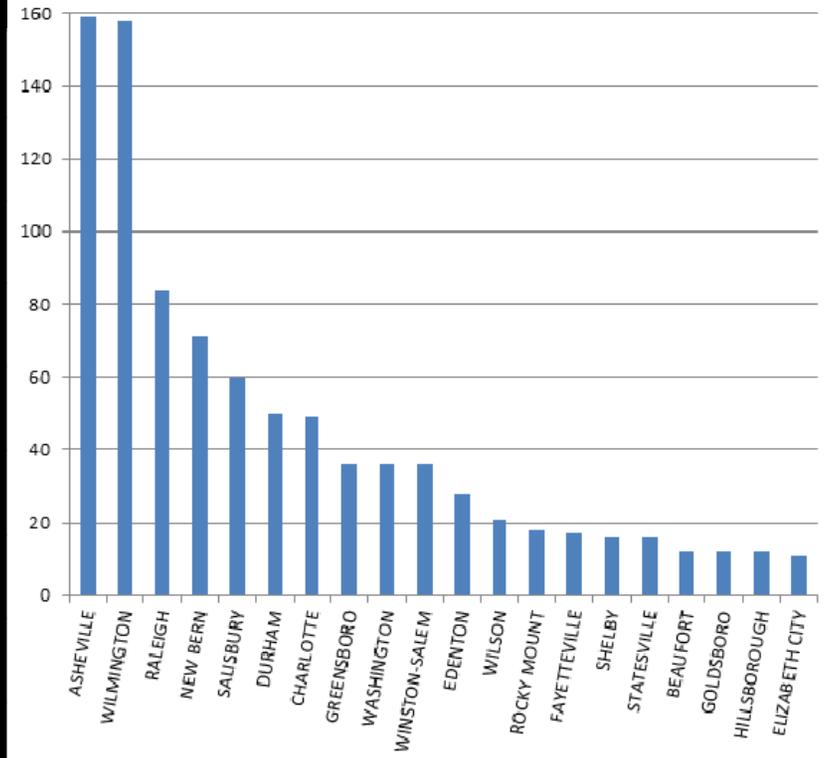
<u>Period</u>	<u>No. Projects</u>	<u>Investment</u>	<u>Investment Adjusted for Inflation</u>
1976-1997 (Federal Tax Credit - 22 years/55%)	671 (46%)	\$ 283M (17%)	\$ 587M (27%)
1998-2015 (Federal & State Credit 18 years/45%)	781 (54%)	\$1,406M (83%)	\$1,623M (73%)
1976-2015 (40 years/100%)	1,452 (100%)	\$1,689M (100%)	\$2,210M (100%)

The Economic Impact of the Rehabilitation Tax Credits in North Carolina

Count of Commerical Projects by Town



Count of Commerical Projects by Town

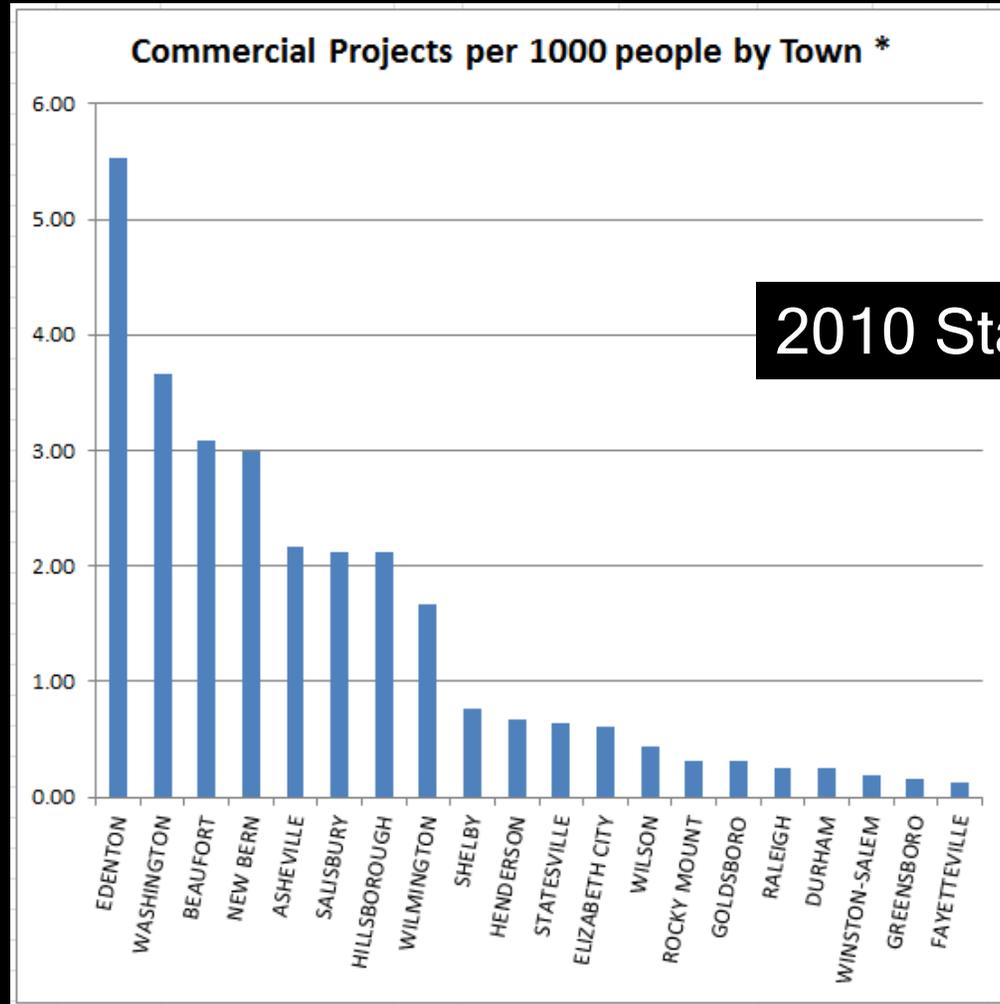


2010 Statistical Chart

2015 Statistical Chart

Income-Producing Projects By City

The Economic Impact of the Rehabilitation Tax Credits in North Carolina



2010 Statistics

North Carolina City and Town Population by Rank

City	Rank
Edenton	132
Washington	85
Beaufort	159
New Bern	29
Asheville	11
Salisbury	24
Hillsborough	115
Wilmington	8
Shelby	43
Henderson	58
Statesville	37
Elizabeth City	46
Wilson	18
Rocky Mount	15
Goldsboro	23
Raleigh	2
Durham	5
Winston-Salem	4
Greensboro	3
Fayetteville	6

City - Main Street Community

City - Not a Main Street Community because population > 50,000

North Carolina City and Town Population by Rank

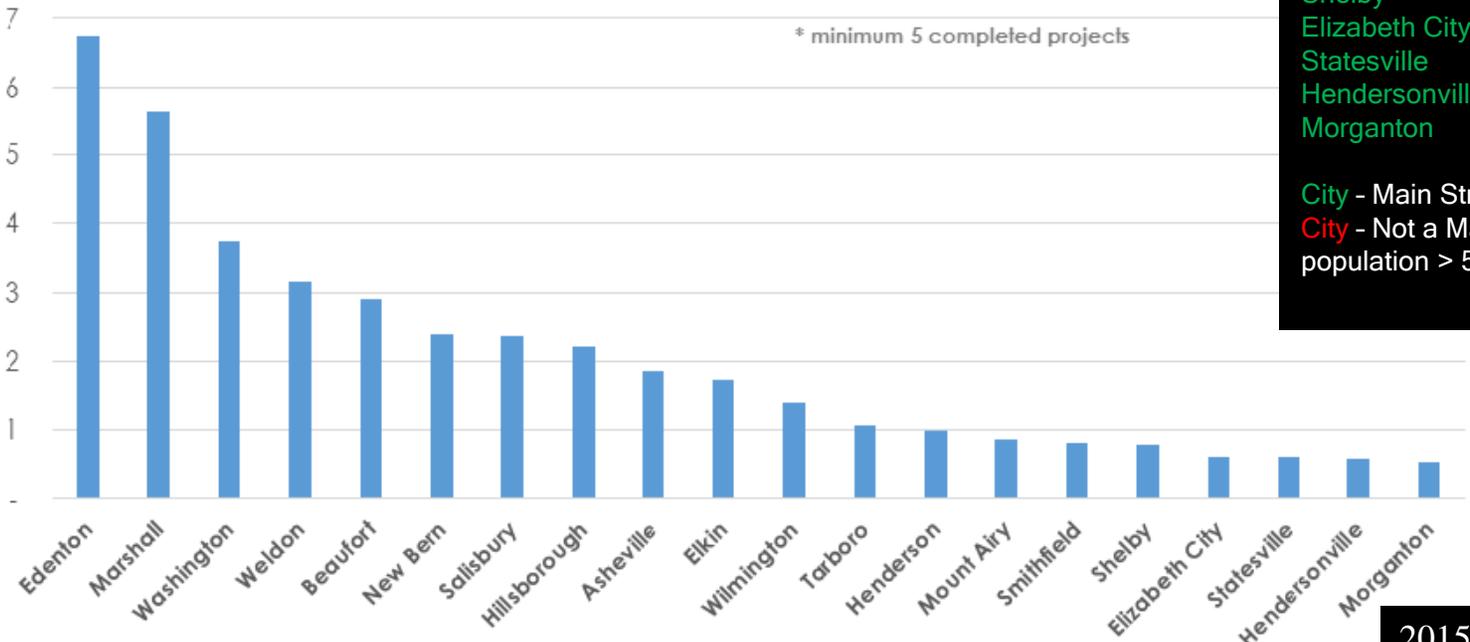
<u>City</u>	<u>Rank</u>
Edenton	132
Marshall	331
Washington	85
Weldon	270
Beaufort	159
New Bern	29
Salisbury	24
Hillsborough	115
Asheville	11
Elkin	160
Wilmington	8
Tarboro	73
Henderson	58
Mt. Airy	79
Smithfield	76
Shelby	43
Elizabeth City	46
Statesville	37
Hendersonville	65
Morganton	52

City - Main Street Community
 City - Not a Main Street Community
 population > 50,000

The Economic Impact of the Rehabilitation Tax Credits in North Carolina

Commercial Projects per 1000 people by Town *

* minimum 5 completed projects



State Income and Non Income-Producing Historic Rehabilitation Tax Credit Application



North Carolina Department of Natural and Cultural Resources
 Division of Historical Resources
 State Historic Preservation Office
 State Tax Credit for Rehabilitating Historic Structures

HPO Use Only
Project No.:

Rev. 1/1/16

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART A – DESCRIPTION OF REHABILITATION

Read the instructions carefully before completing. No certification can be made unless a completed application form has been received. The decision by the State Historic Preservation Officer (SHPO) with respect to certification is made on the basis of this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings, and specifications), the application form shall take precedence.

Check applicable box(es): Income Producing Non-income Producing

1. Name of property: _____ Street _____

City _____ County _____ State _____ Zip _____

Located in a National Register or Certified Local Historic District; please specify district: _____

Listed individually in the National Register of Historic Places; give date of listing: _____

Not currently listed in the National Register, either individually or as a contributing building in a National Register or Certified Historic District. A nomination is proposed and listing is anticipated by the time of project completion.

2. Data on building and rehabilitation project:

Date building constructed: _____ Estimated rehabilitation expenses: \$ _____

Use(s) before rehabilitation: _____ Proposed use(s) after rehabilitation: _____

Floor area before rehabilitation: _____ Floor area after rehabilitation: _____

Project start date (est.): _____ Completion date (est.): _____

3. Project Contact: (if different than owner)

Name _____ Telephone _____ Email Address _____

Street _____ City _____ State _____ Zip _____

4. Owner: I hereby attest that the information I have provided is correct to the best of my knowledge, and that I own the property described above.

Name _____ Signature _____ Date _____

Company _____ Social Security or Taxpayer Identification Number _____

Street _____ City _____ State _____ Zip _____

Telephone _____ Email Address _____

State Historic Preservation Office (HPO) Use Only

The HPO has reviewed "Historic Preservation Certification Application Part A" for the above-named property and the SHPO has determined:

that the proposed rehabilitation described herein is consistent with the historic character of the property or the district in which it is located and that the project appears to meet the Secretary of the Interior's Standards for Rehabilitation. **This determination is preliminary since a formal certification of rehabilitation can be issued to the owner of a "certified historic structure" only after rehabilitation work is completed.**

that the proposed rehabilitation appears to meet the Secretary of the Interior's Standards for Rehabilitation if the attached conditions are met. **This determination is preliminary since a formal certification of rehabilitation can be issued to the owner of a "certified historic structure" only after rehabilitation work is completed.**

that the proposed rehabilitation does not appear to be consistent with the historic character of the property or the district in which it is located and that the project does not appear to meet the Secretary of the Interior's Standards for Rehabilitation for the attached reasons.

Deputy SHPO _____ Date _____

Property Name and Address

5. DESCRIPTION OF REHABILITATION WORK—Includes site-work, new construction, alterations, etc. Complete blocks below.

NUMBER 1	Architectural feature <u>Roof</u> Approximate date of feature _____ Describe existing feature and its condition: _____	Describe work and impact on existing feature: _____
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NUMBER 2	Architectural feature <u>Masonry</u> Approximate date of feature _____ Describe existing feature and its condition: _____	Describe work and impact on existing feature: _____
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NUMBER 3	Architectural feature <u>Exterior Woodwork</u> Approximate date of feature _____ Describe existing feature and its condition: _____	Describe work and impact on existing feature: _____
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NUMBER 4	Architectural feature <u>Porch(es)</u> Approximate date of feature _____ Describe existing feature and its condition: _____	Describe work and impact on existing feature: _____
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NUMBER 5	Architectural feature <u>Windows</u> Approximate date of feature _____ Describe existing feature and its condition: _____	Describe work and impact on existing feature: _____
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Part A - Description of Rehabilitation

State Income and Non Income-Producing Historic Rehabilitation Tax Credit Application



North Carolina Department of Natural and Cultural Resources
 Division of Historical Resources
 State Historic Preservation Office
 State Tax Credit for Rehabilitating Historic Structures

HPO Use Only
 Project No.: _____

Rev. 1/1/16

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART B – REQUEST FOR CERTIFICATION OF COMPLETED WORK

Read the instructions carefully before completing. Upon completion of the rehabilitation, return this form with representative photographs of the completed project (both exterior and interior views) to the State Historic Preservation Office (SHPO).

Check applicable box(es): Income Producing Non-income Producing

1. **Name of property:** _____ Street _____
 City _____ County _____ State _____ Zip _____

For Non-income Producing structures only, check applicable box:

- Located in a National Register or Certified Local Historic District; please complete Attachment 1.
- Listed individually in the National Register of Historic Places; give date of listing: _____

2. **Data on rehabilitation project:**

Project starting date: _____ Rehabilitation work on this property was completed on: _____
 Estimated rehabilitation expenses attributed solely to the rehabilitation of the historic structure: \$ _____
 Estimated rehabilitation expenses attributed to other new construction associated with the rehabilitation, including additions, site work, and landscaping: \$ _____

3. **Owner:** (space on reverse for additional owners)

I hereby apply for certification of rehabilitation work described above for the purpose of the State Historic Rehabilitation Tax Credit Program for Historic Structures. I hereby attest that the information provided is correct to the best of my knowledge, and that in my opinion the completed rehabilitation meets the *Secretary's Standards for Rehabilitation* and is consistent with the work described in the "Historic Preservation Certification Application Part A – Description of Rehabilitation." I also attest that I own the property described above.

Name _____ Signature _____ Date _____
 Company _____ Social Security or Taxpayer Identification Number _____
 Street _____ City _____ State _____ Zip _____
 Telephone _____ Email Address _____

HPO Use Only

The HPO has reviewed the "Historic Preservation Certification Application Part B" for the above-named property and the SHPO has determined:

- that the property contributes to the significance of the above-named National Register or certified historic district and is a "certified historic structure" for the purpose of the State Tax Credit for Rehabilitating Historic Structures. (Non-income Producing structures only)
- that the property does not contribute to the significance of the above-named National Register or certified historic district, and therefore, the property is not a "certified historic structure" for the attached given reasons. (Non-income Producing structures only)
- that the completed rehabilitation meets the *Secretary of the Interior's Standards for Rehabilitation* and is consistent with the historic character of the property and, where applicable, the district in which it is located. Effective the date indicated below, the rehabilitation of the "certified historic structure" is hereby designated a "certified rehabilitation." This certification is to be used in conjunction with appropriate Department of Revenue regulations. Questions concerning specific tax consequences or interpretations of North Carolina income tax rules and bulletins should be addressed to the Department of Revenue.
- that the rehabilitation is not consistent with the historic character of the property or the district in which it is located and that the project does not meet the *Secretary of the Interior's Standards for Rehabilitation* for the attached given reasons.

Deputy SHPO _____ Date _____



North Carolina Department of Natural and Cultural Resources
 Division of Historical Resources
 State Historic Preservation Office
 State Tax Credit for Rehabilitating Historic Structures

HPO Use Only
 Project No.: _____

Rev. 1/1/16

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART B – REQUEST FOR CERTIFICATION OF COMPLETED WORK

Property Name and Address _____

Additional Owners:

Name _____ Signature _____ Date _____

Street _____ City _____ State _____ Zip _____

Social Security or Taxpayer Identification Number: _____ Telephone Number _____

Name _____ Signature _____ Date _____

Street _____ City _____ State _____ Zip _____

Social Security or Taxpayer Identification Number: _____ Telephone Number _____

Name _____ Signature _____ Date _____

Street _____ City _____ State _____ Zip _____

Social Security or Taxpayer Identification Number: _____ Telephone Number _____

Name _____ Signature _____ Date _____

Street _____ City _____ State _____ Zip _____

Social Security or Taxpayer Identification Number: _____ Telephone Number _____

Name _____ Signature _____ Date _____

Street _____ City _____ State _____ Zip _____

Social Security or Taxpayer Identification Number: _____ Telephone Number _____

Name _____ Signature _____ Date _____

Street _____ City _____ State _____ Zip _____

Social Security or Taxpayer Identification Number: _____ Telephone Number _____

State Income and Non Income-Producing Historic Rehabilitation Tax Credit Application



North Carolina Department of Natural and Cultural Resources
Division of Historical Resources
State Historic Preservation Office
State Tax Credit for Rehabilitating Historic Structures

HPO Use Only

Project No.:

HISTORIC PRESERVATION CERTIFICATION APPLICATION ATTACHMENT 1

Rev. 1/1/16

Property Name and Address

For nonincome-producing structures only.

Complete Attachment 1 only if your property lies within a National Register or Certified Local Historic District and submit with Part B- REQUEST FOR CERTIFICATION FOR COMPLETED WORK. Read the instructions carefully before completing.

1. Name of National Register Historic District: _____

OR

in one of the following Certified Local Historic Districts Blount Street HD, Raleigh Goldsboro HD Decatur-Hunter HD, Madison

2. Building data:

Date of Construction: _____ Source of Date: _____

Date(s) of Alteration(s): _____

Has building been moved? no yes If yes, when? _____

3. Attached is:

Copy of inventory entry on property from Section 7 of the National Register Historic District nomination

OR Description of physical appearance, Statement of significance, and Historic district map

Description of physical appearance (see attached instructions):

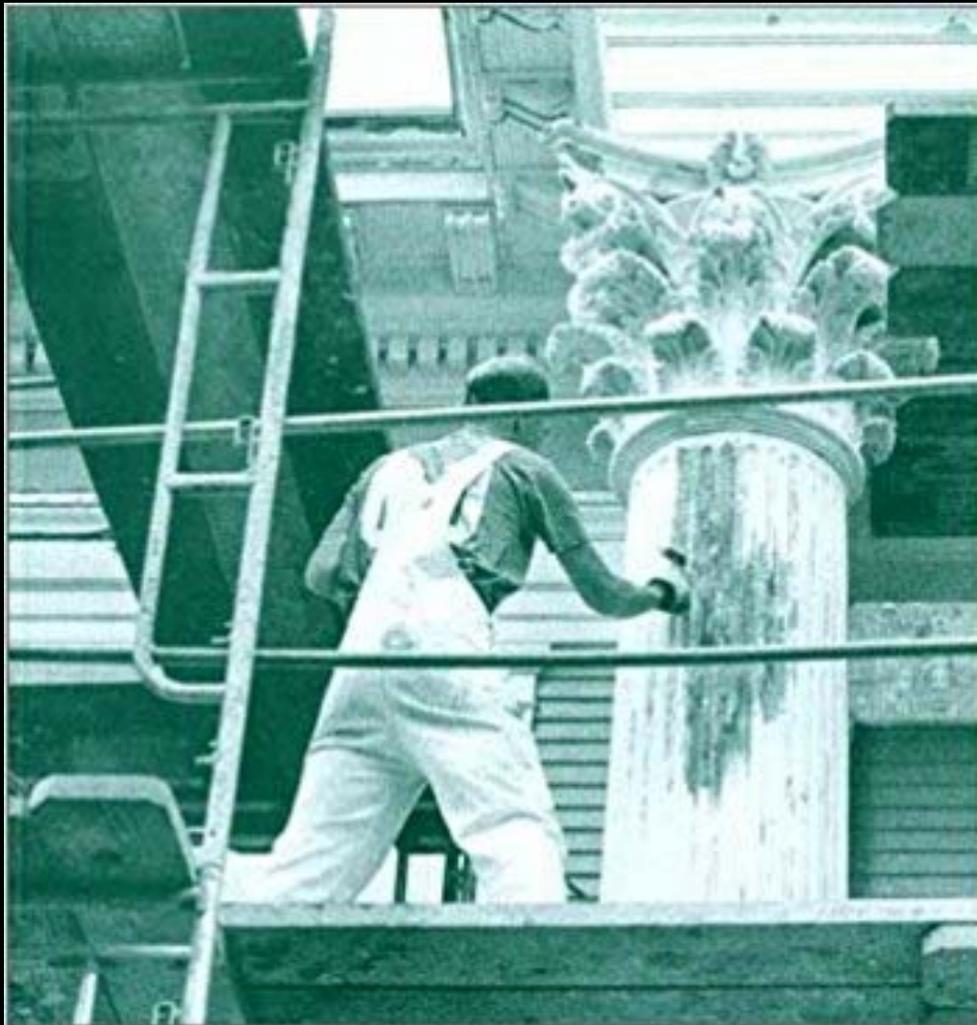
Statement of significance (see attached instructions):

Historic district map:

Attach a map of the National Register or Certified Historic District, and identify the property (see attached instructions):

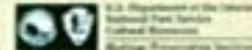
Attachment 1 - Certification of Historic Significance

The Secretary of the Interior's Standards for Rehabilitation



The Secretary
of the Interior's
Standards for
Rehabilitation &

Illustrated
Guidelines
for
Rehabilitating
Historic
Buildings



U.S. Department of the Interior
National Park Service
National Historic Preservation Act
Historic Preservation Division

What is Rehabilitation?

Rehabilitation is defined as “the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural value.”

Rehabilitation is the most commonly used of the four basic treatments for historic properties.

The other treatments are:

- Preservation;
- Restoration; and
- Reconstruction

The Secretary of the Interior's Standards for Rehabilitation

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

The Secretary of the Interior's Standards for Rehabilitation?

- The *Standards* are ten principles developed by the Secretary of the Interior to guide work on historic properties.
- The *Standards* are used to judge the appropriateness of the proposed work to the historic property.
- The *Standards* and the accompanying *Guidelines* are used by architects, property owners/managers, and developers when developing rehabilitation projects and by the State Historic Preservation Office, the National Park Service, and historic preservation commissions when reviewing proposed work to a historic property.

and the accompanying
*Guidelines for Rehabilitating
Historic Buildings*

- **Identify, Retain and Preserve** - Forms and detailing of architectural materials and features that are important in *defining the historic character* should be identified, retained and preserved.
- **Protect and Maintain** – Protection involves the least degree of intervention and is preparatory to other work including maintenance.
- **Repair** – Repairing of historical materials begins with the least degree of intervention but can also include limited replacement in kind or with compatible substitute materials.

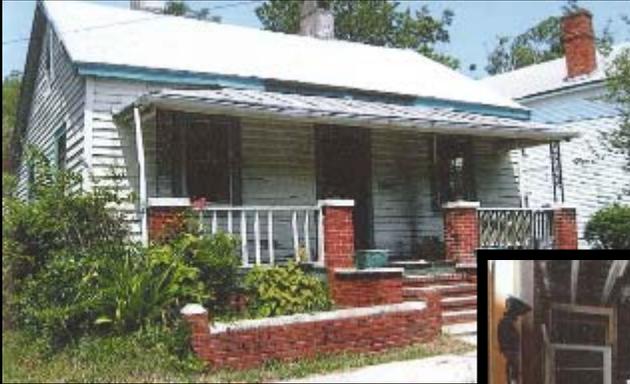
Guidelines for Rehabilitating Historic Buildings

- **Replace** – Replace materials and features only if they are too deteriorated to be repaired. New material should be in kind or with compatible substitute materials.
- **Design for Missing Features** – When an entire interior or exterior feature is missing, it no longer plays a role in physically defining character of the building unless it can be accurately recovered in form and detailing through the process of carefully documenting the historical appearance.
- **Alterations/Additions** – It is important that alterations do not radically change, obscure, or destroy character-defining spaces, materials, features, or finishes.

Standard 1

A property shall be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.

This Standard is the easiest to meet and may include:
single family residences remaining as single family
or multi family being returned to single family, or...



Sewell Duguid House
Wilmington, New Hanover County
Proposed \$42,000 investment

House
Salisbury, Rowan County



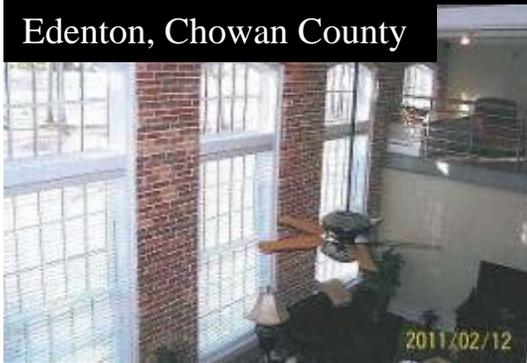
Glencoe Mill Village
Burlington, Alamance County



Red Hill Plantation
Granville County



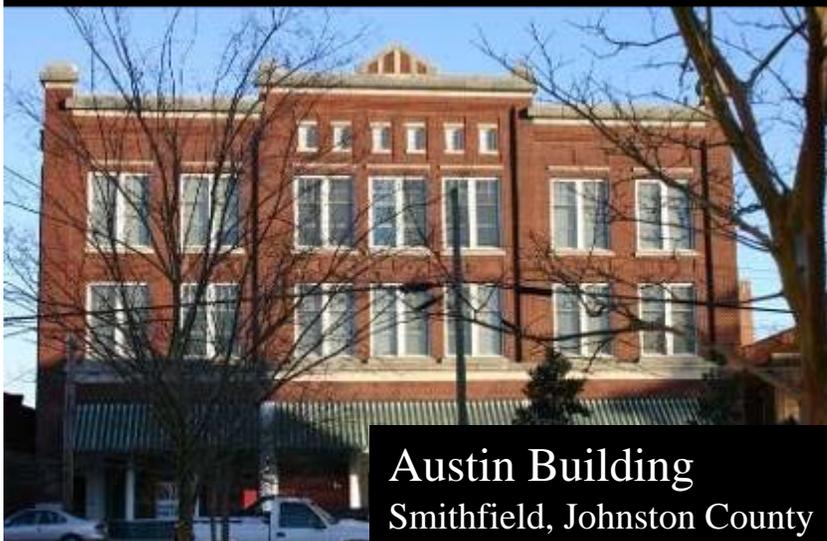
Edenton Cotton Mill
Edenton, Chowan County



Main Street
Durham, Durham County



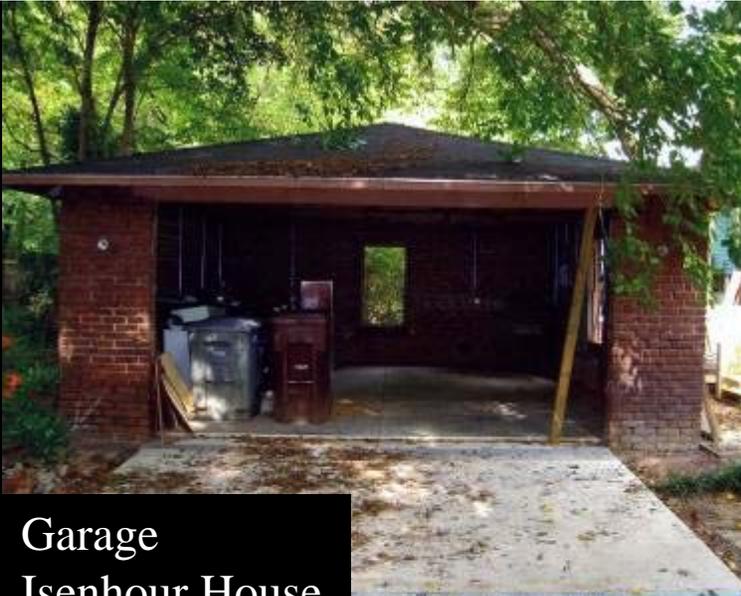
larger buildings being divided for condominiums or apartments, or...



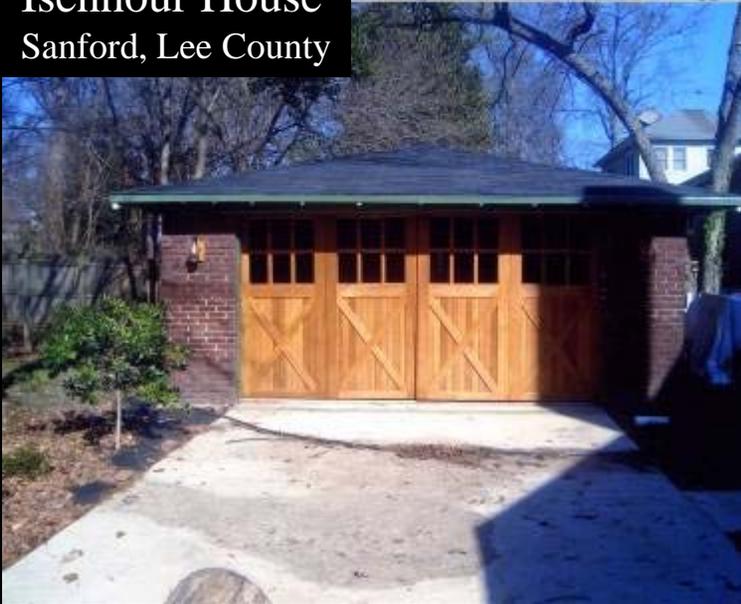
Austin Building
Smithfield, Johnston County



Coon School
Wilson, Wilson County



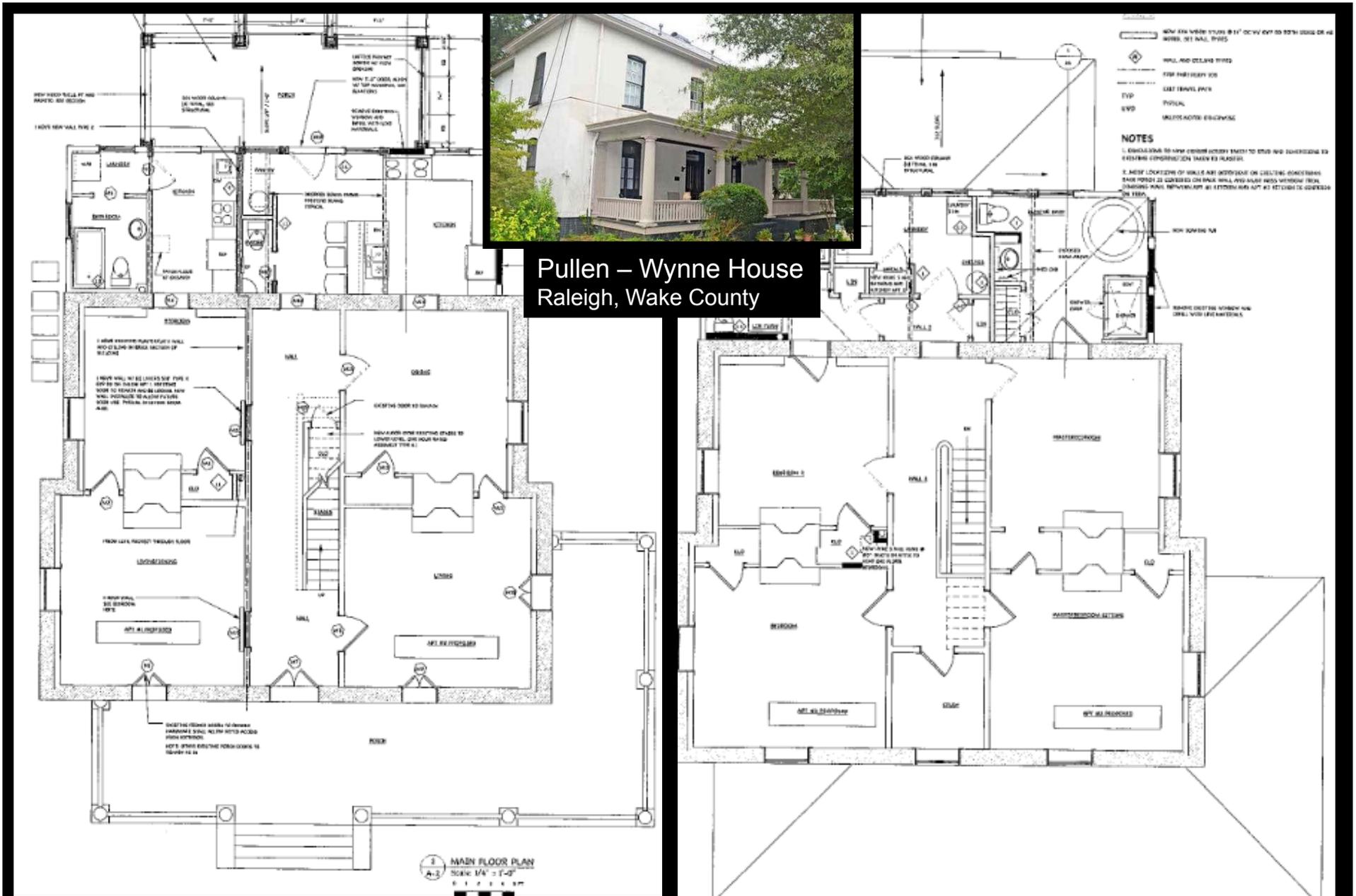
Garage
Isenhour House
Sanford, Lee County



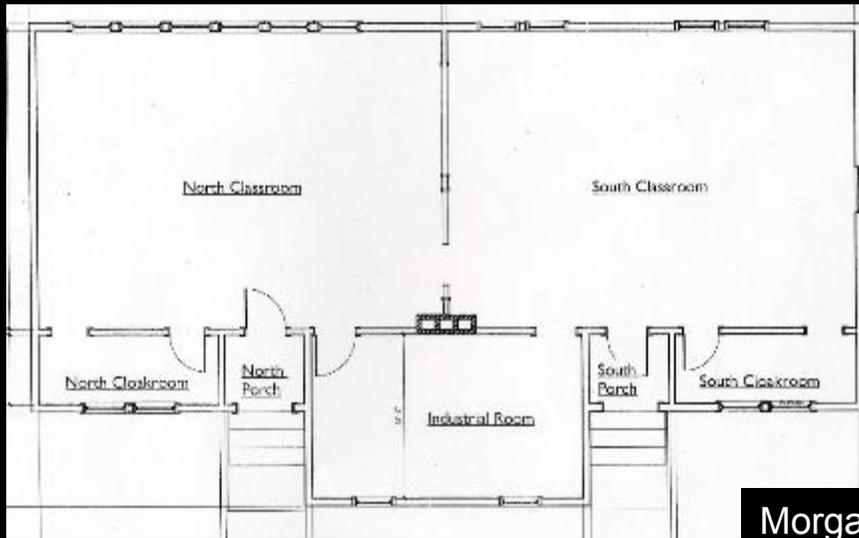
Barn
Shelton Plantation
Chowan County



...other ancillary historic outbuildings, such as garages and barns.

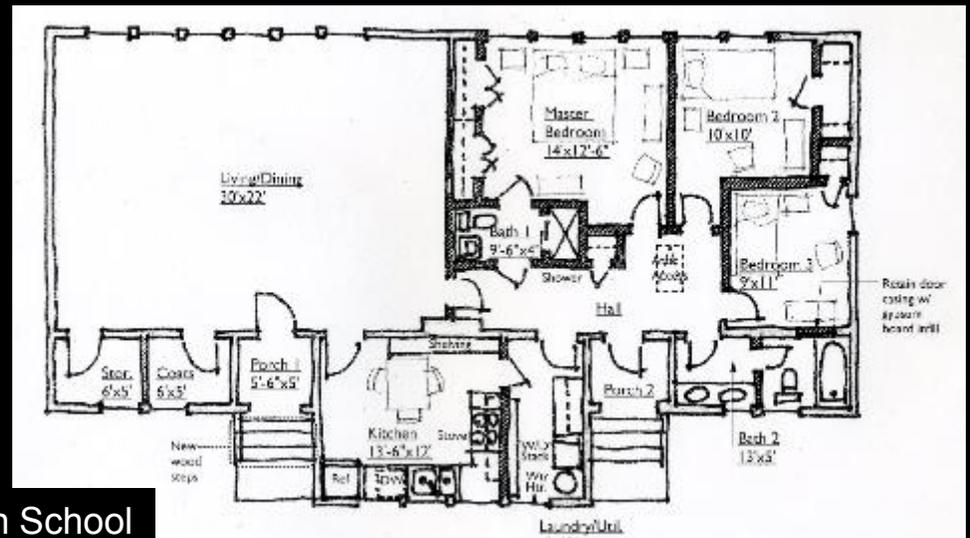


Rehabilitation reduced the number of rental apartments to three from four. Main rooms are preserved. Only change is on the second floor where a door and casing are removed to provide for closets in each bedroom on north side.



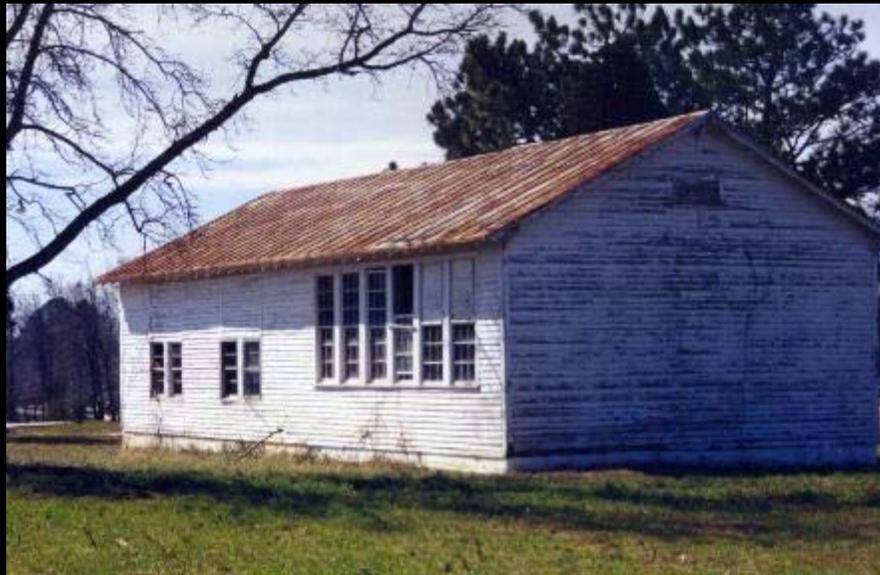
Before

Morgan School
Nash County



After

The Morgan School was to be rehabilitated as a single-family residence. As with the Princeville School, the classroom that was previously partitioned was scheduled to be partitioned to accommodate three new bedrooms and a bathroom. The remaining classroom was retained as an open living/dining room and the industrial room was to be the kitchen and laundry and the two cloakrooms to be a second bathroom, storage, and closet. Both entrances were retained.



Standard 2

The historic character of a property shall be retained and preserved. The removal of distinctive materials or alterations of features, spaces, and spatial relationships that characterize a property shall be avoided.

- Retain character defining features, such as windows.
- Historic windows are made of superior materials, their existence is a testimony to the quality of materials given the frequent lack of maintenance, they are easy to maintain and repair, they are highly energy efficient when combined with a storm window, and the practice is sustainable – unlike replacement windows.



Secure window sills.



Remove deteriorated material, kill wood feeding pathogens, repair with epoxy, prime, and paint.



Primed window after deteriorated bottom rail and bottom of stile were repaired.



Historic standing and flat seam metal roof.



New metal roof. Note large ridge cap and corrugated pans.

True standing seam metal roofs are character defining features that should be retained and repaired. New prefabricated metal roofs do not look like historic metal roofs. Note the rib configurations, wide ridge caps, and caps where the roof abuts a wall in the newer roofs. Historic metal roofs are fastened to the roof deck with hidden clips and new metal roofs are screwed through the roof itself – creating thousands of future roof leaks. Wind driven rain can blow under the caps.

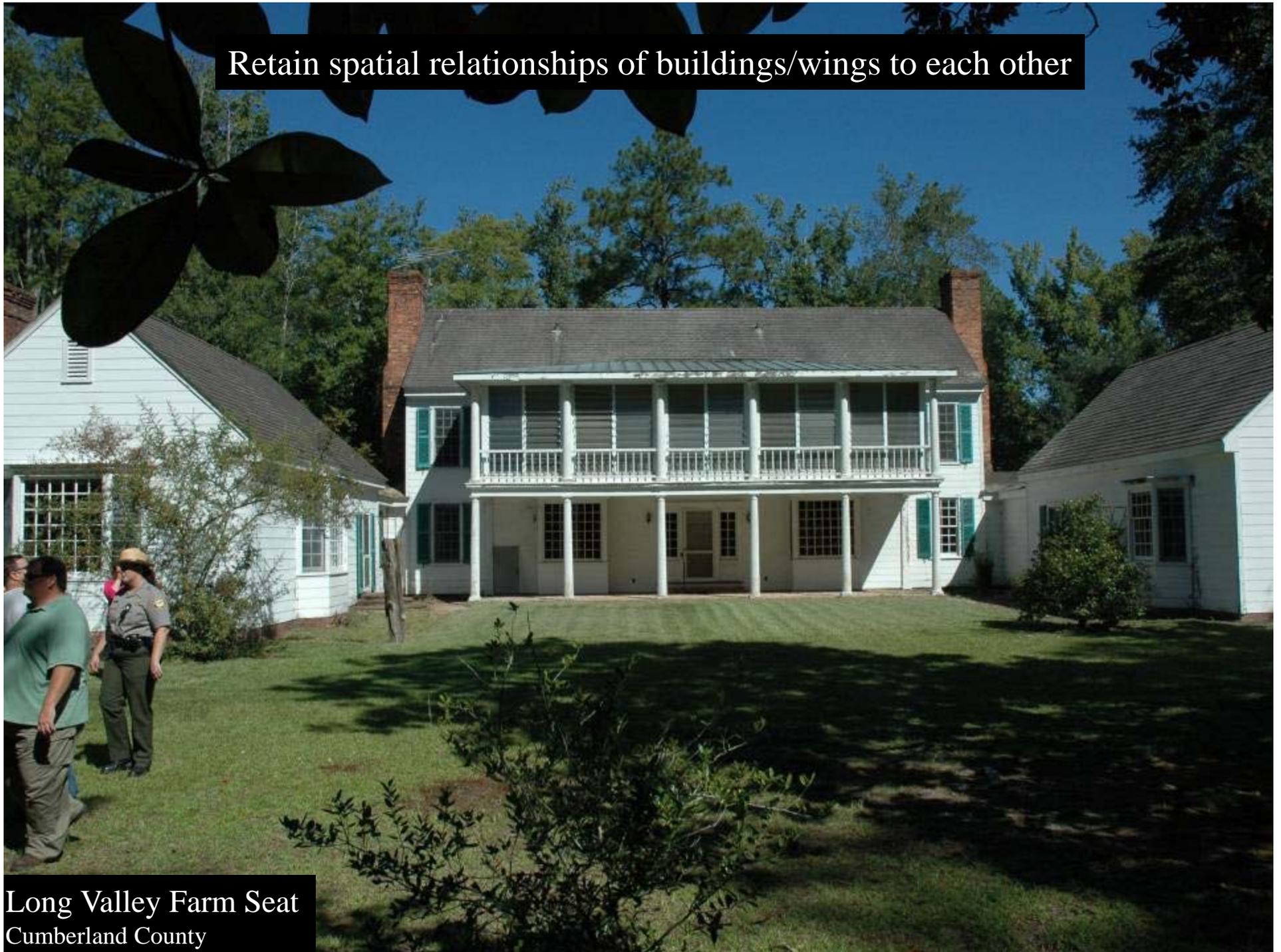


New metal roof. Note large ridge cap.



New metal roof. Note large ridge cap.

Retain spatial relationships of buildings/wings to each other



Long Valley Farm Seat
Cumberland County



Retain significant corridors and public spaces



Strickland House
Wake Forest, Wake County



Stephenson House
Wake County



Materials that were installed after the period of significance, such as drop ceilings, paneling, and linoleum flooring, are not considered historic and do not need to be retained.

Standard 3

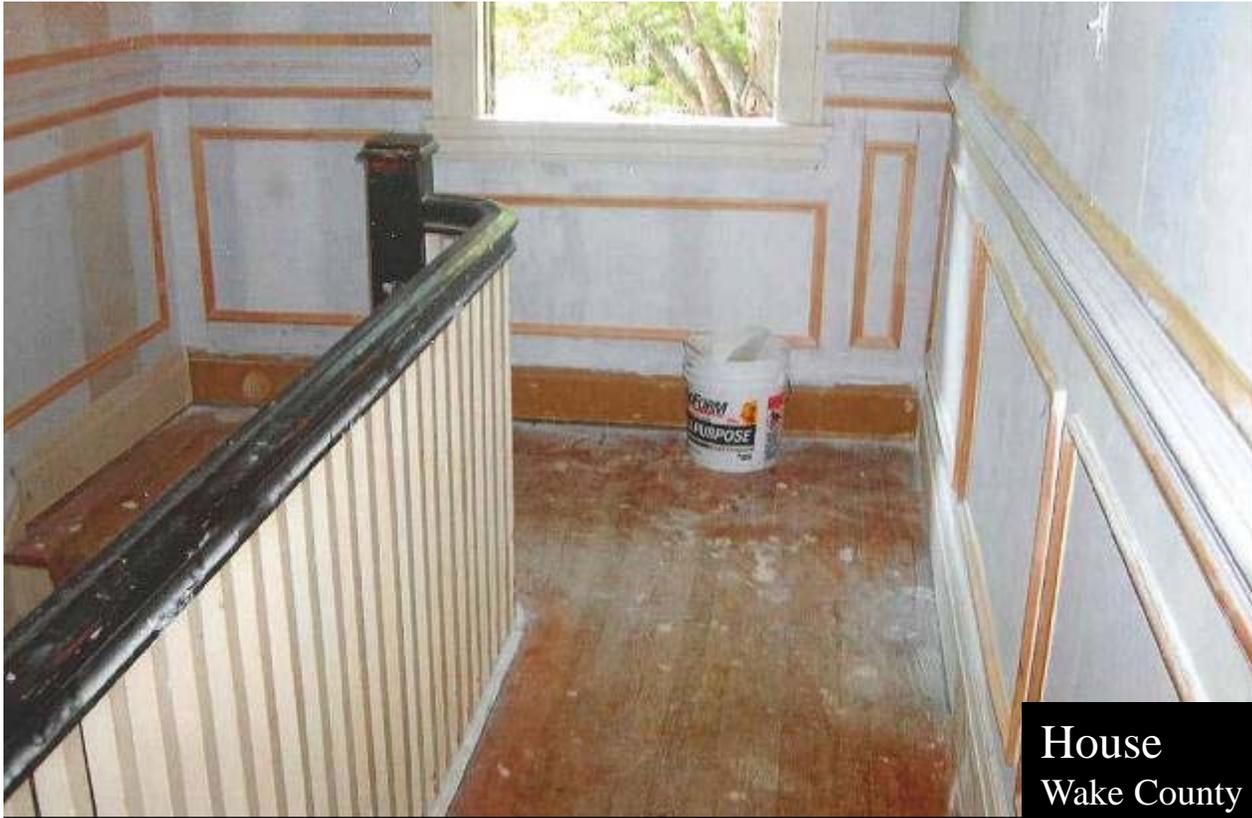
Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, shall not be undertaken.



Raleigh, Wake County



These houses used to be similar before the house on the right was changed to resemble a Federal style house. The changes resulted in the loss of the porch and brackets, front gable, roof overhang, and windows.



House
Wake County



Do not create an earlier appearance by adding molding or other typical features from earlier periods.

Standard 4

Changes to a property that have acquired historic significance in their own right shall be retained and preserved.



Danielhurst Plantation
Edgecombe County

Retain historic building relationships as they evolve during the period of significance.



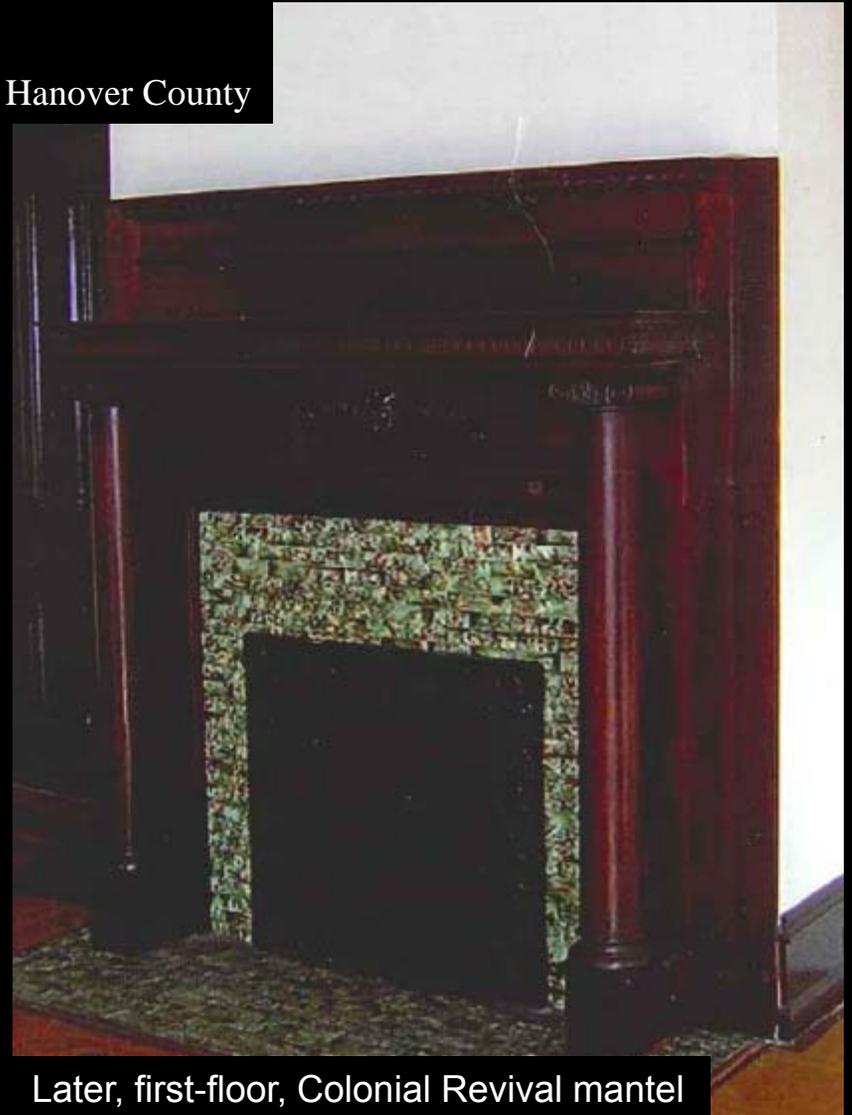
Rock Cliff Farm
Wake Forest, Wake County

Preserve later significant features that are associated with B. W. Wells, such as the wrap-around porch and the bathroom that was installed on the front porch off of the front door.

House
Wilmington, New Hanover County



First period, second-floor, Italianate mantel



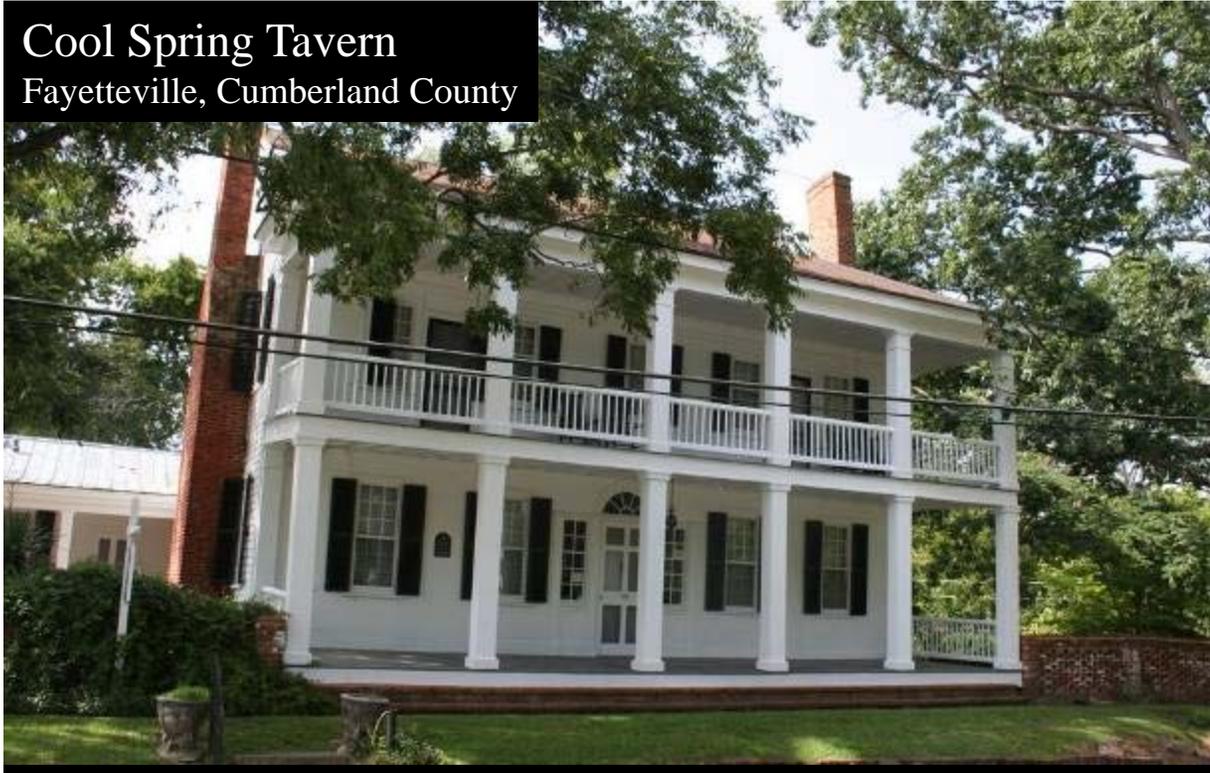
Later, first-floor, Colonial Revival mantel

Retain original and historic features, such as mantels, as part of the architectural record. In this house the downstairs was updated during the period of significance and the original upstairs mantels were retained.

Standard 5

Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.

Cool Spring Tavern
Fayetteville, Cumberland County



Retain historic porches, balustrades,
decorative sawn work, windows, and
doors.



E. A. Poe House
Fayetteville, Cumberland County

Preserve historic materials, finishes, features and construction techniques including plaster moldings and centerpieces, built-ins, parquet flooring, and millwork (mantels, baseboards, and door and window surrounds).



Preserve plaster cornices and centerpieces.



Preserve built-ins.



Preserve historic and decorative flooring.



Preserve millwork, including mantels, baseboards, and door and window surrounds.

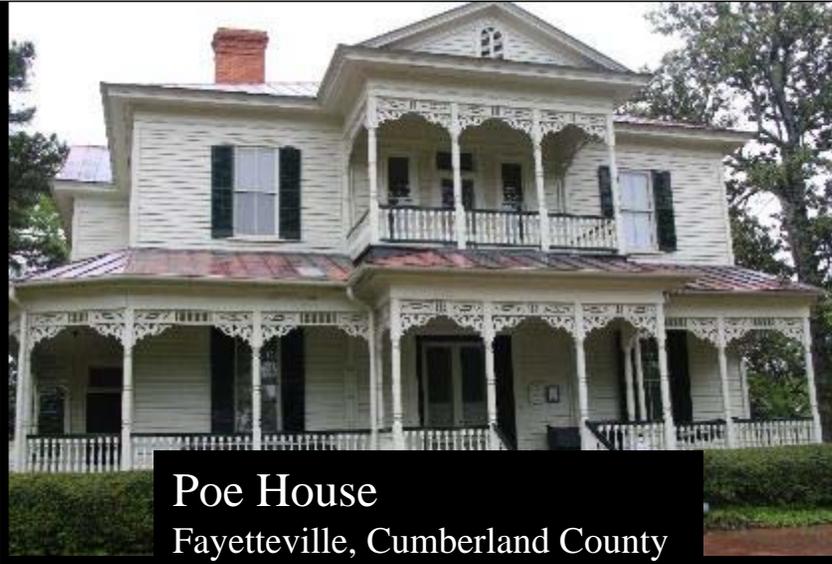
Glencoe Mill Village House
Burlington, Alamance County



Preserve historic finishes, including simple finishes, such as wood sheathed ceilings and walls, balustrades, windows, doors, surrounds, and floors.

Standard 6

Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and where possible, materials. Replacement of missing features shall be substantiated by documentary and physical evidence.



Poe House
Fayetteville, Cumberland County



Bellamy Mansion
Wilmington, New Hanover County

Deteriorated metal roofs, including pitting, may be salvaged using elastomeric paints.



Slate roofs should be repaired by a knowledgeable craftsman.

Repair or replace siding only as needed.



Left: Replace only deteriorated siding in kind.
Right: Wholesale replacement of siding or flipping board is not acceptable.



Window repair workshop, April 13, 2012
Chowan County Courthouse
Edenton, Chowan County



Retain historic window sash. (1) The material is superior to newer sash; (2) the sash can be easily repaired; (3) newer sash have a finite life and as such are not sustainable; and (4) when coupled with a storm sash they can be more energy efficient than a new unit.



Sanford Buggy Factory Grand Opening
Sanford, Lee County
March 7, 2016

A storm window combined with a repaired historic window will realize a greater energy savings than a new insulated window.

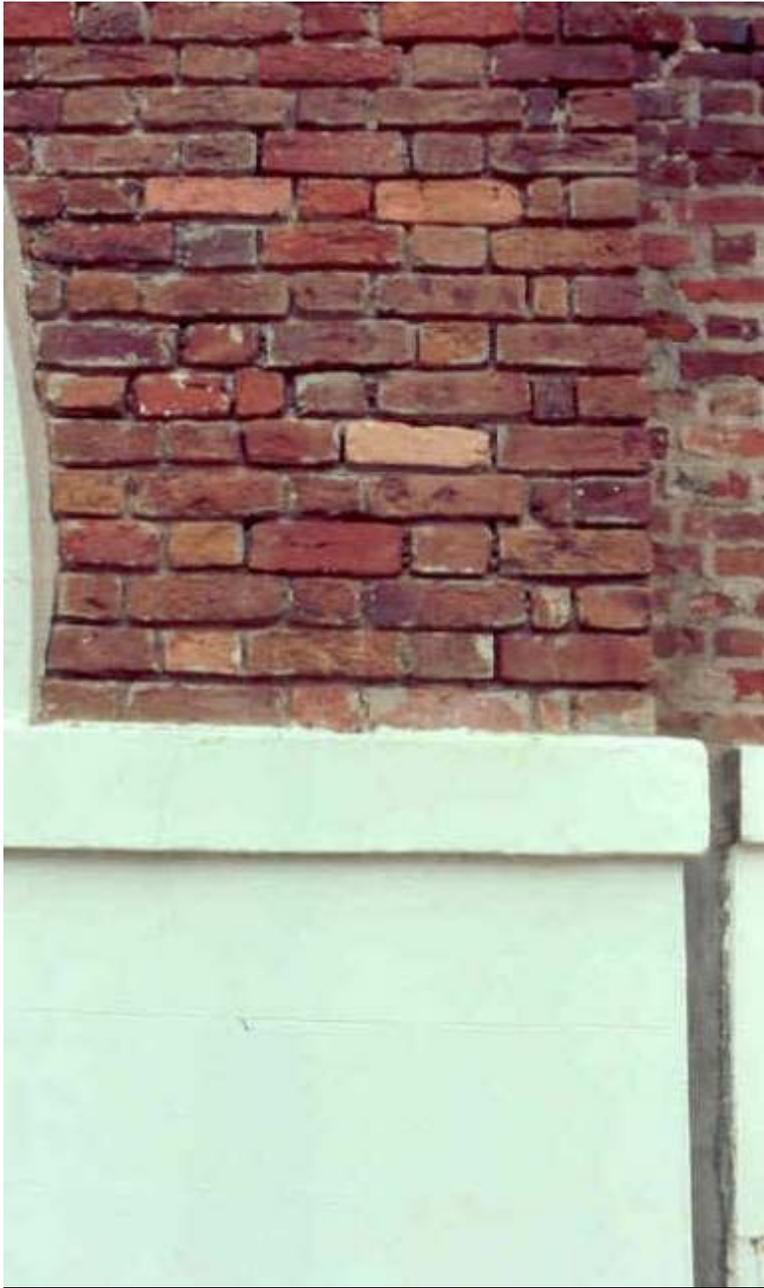




Epoxy Repair



Repair original fabric when possible.



Properly rake out deteriorated mortar joints and repoint. Brick with a lower compressive strength will require a lime-based mortar. New mortar shall match the historic in strength, width, color, texture, and tooling profile.

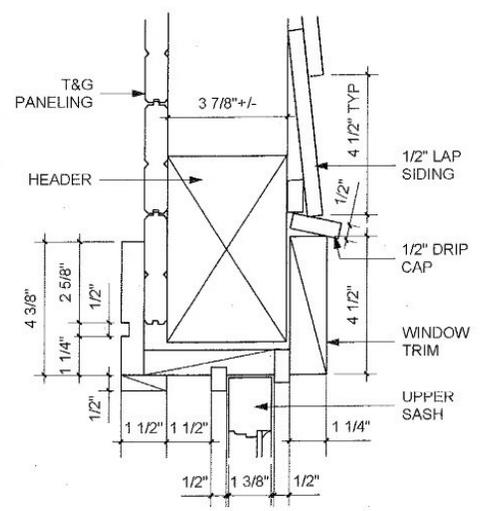


RUSSELL STEPHENSON ARCHITECT
 218 OSBERT ROAD, BAILEY, NC 27808
 TEL: 919-282-2699 FAX: 919-282-0189
 E-MAIL: RSTEPHENSON@BELLSOUTH.NET
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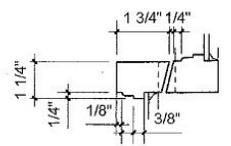
MORGAN SCHOOL RENOVATION
 JERRY HORNER
 M: 917-293-2427
 HORNERJERR@AOL.COM
 7427 WINTERS RD
 BAILEY, NC 27807

WINDOW DETAILS

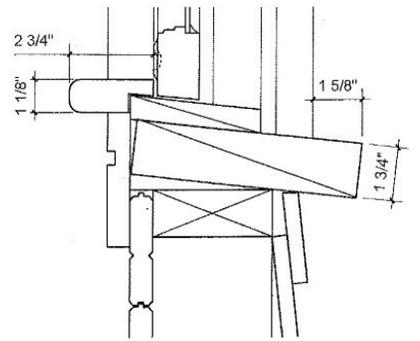
30 JAN 2006



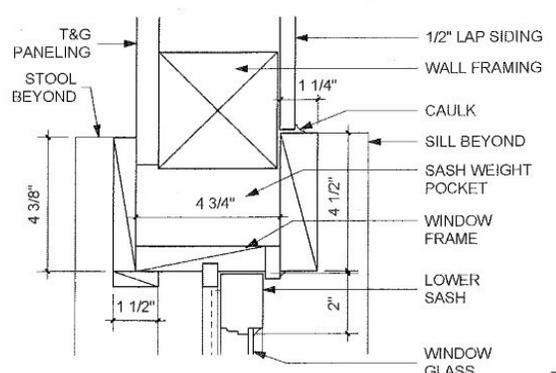
WINDOW HEAD
 Scale: 3" = 1'-0"



WINDOW MEETING RAILS
 Scale: 3" = 1'-0"

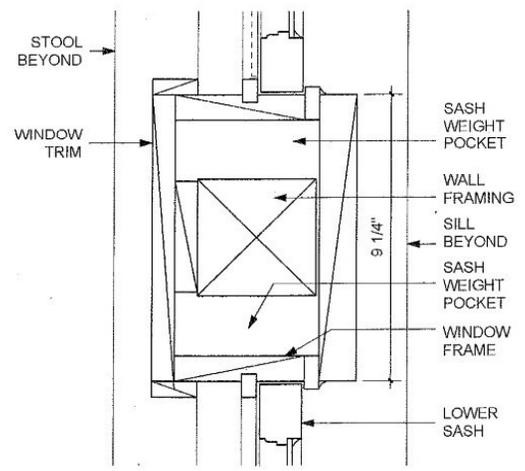


WINDOW SILL
 Scale: 3" = 1'-0"

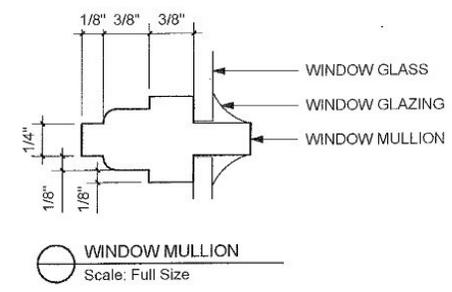


WINDOW END JAMB
 Scale: 3" = 1'-0"

WINDOW MULLION
 Scale: 3" = 1'-0"



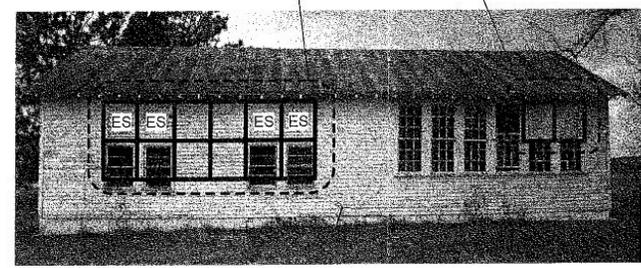
WINDOW INTERMEDIATE JAMB
 Scale: 3" = 1'-0"



WINDOW MULLION
 Scale: Full Size

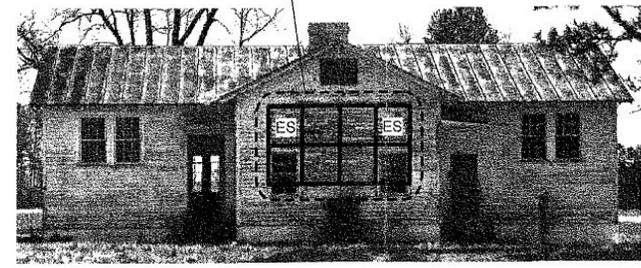
PROVIDE 6 NEW WINDOWS TO MATCH ORIGINAL. REUSE 4 ORIGINAL EXISTING UPPER SASHES (ES) REMAINING IN WALL

PROVIDE 2 NEW LOWER SASHES TO MATCH 1 ORIGINAL. (EXISTING SASHES ARE UPPER SASHES).



EAST FACADE
 No Scale

PROVIDE 4 NEW WINDOWS TO MATCH ORIGINAL. REUSE 2 ORIGINAL EXISTING UPPER SASHES (ES) REMAINING IN WALL



WEST FACADE
 No Scale

NOT FOR CONSTRUCTION

Later windows were replaced to match the historic windows. Drawings include elevations and sections through the head, jamb, meeting rail, sill, mullion, and muntin, were .

Standard 7

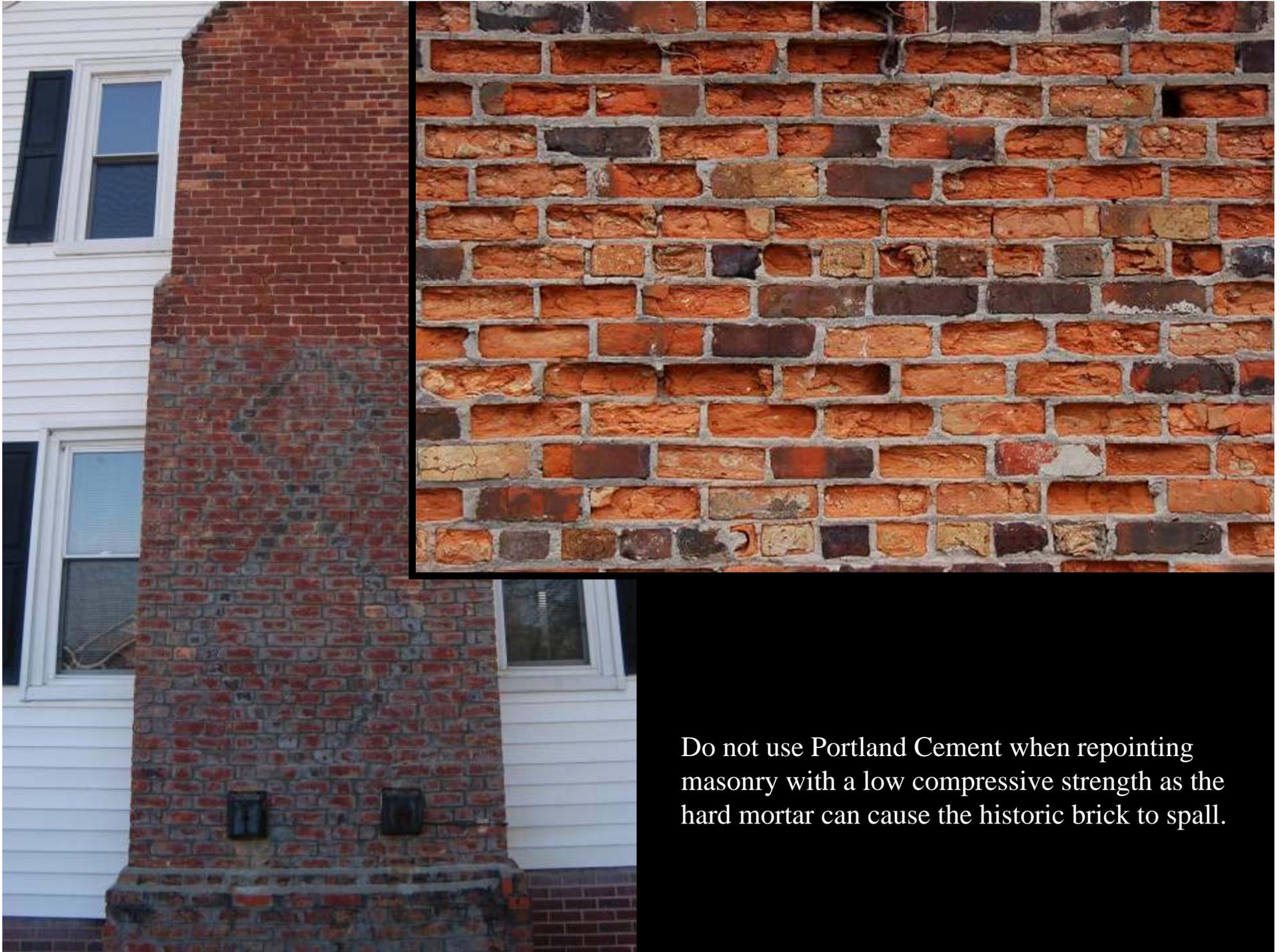
Chemical or physical treatments, if appropriate, shall be undertaken using the gentlest means possible. Treatments that cause damage to historic materials shall not be used.



Use the gentlest means possible to clean brick. Samples should be undertaken in the most inconspicuous location.

Do not sandblast buildings. In masonry construction, it will destroy the hard-fired surface of the brick as well as the tooled profile of the mortar joint making both the brick and mortar joint more permeable and increasing the risk for moisture infiltration.





Do not use Portland Cement when repointing masonry with a low compressive strength as the hard mortar can cause the historic brick to spall.



Remove paint without causing damage. Heat guns/plates, the Silent Paint Stripper (infrared), and hand scraping are the least damaging.



Do not use extreme methods, such as an open flame, pressure washer, or chemicals on wood to remove paint.



Open flame



Damage from an open flame

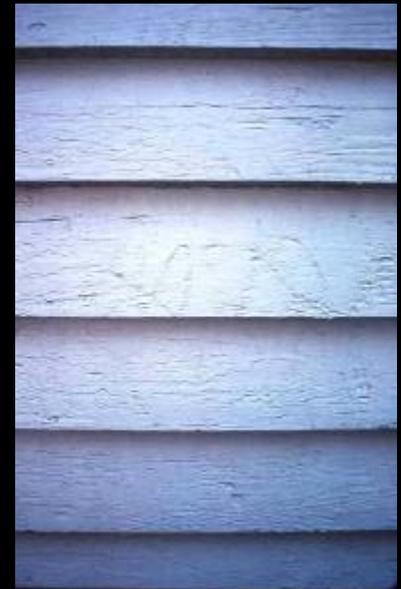


Chemical strippers can raise the grain of the wood

Damage from pressure washer



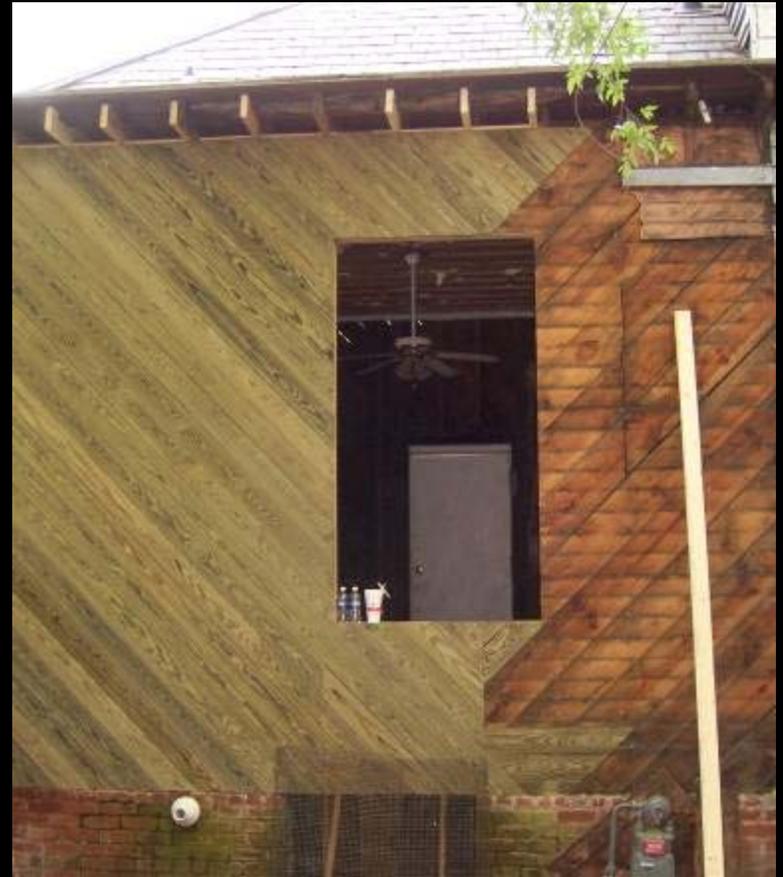
The damage from a pressure washer is still visible after painting





The removal of artificial siding will afford the property owner to properly prepare the surface for paint.

Artificial siding can cover and accelerate moisture problems, such as at this house where water penetration from built-in gutters went undetected for years.



Standard 8

Archaeological resources shall be protected and preserved in place. If such resources must be disturbed, mitigation measures shall be undertaken

William Smith House
Averasboro Battlefield, Harnett County



Preserve archaeological resources. Ground penetrating radar was used to try to locate the foundation of the historic kitchen so that the site could be avoided when planning for parking and new bathrooms at this future museum.

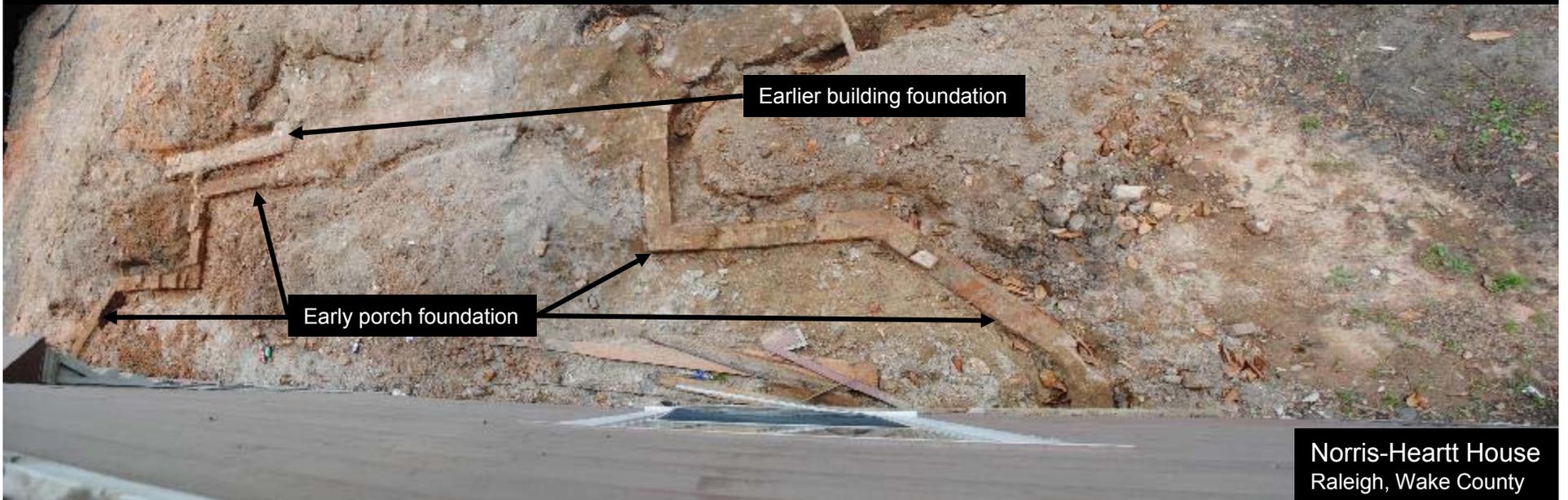


Early porch mortise

Early building site

Early porch foundation

The historic porch foundation was uncovered during removal of the later front porch floor. The foundations were measured so the reconstructed porch can be put back in the proper location.



Earlier building foundation

Early porch foundation

Standards 9 and 10

9. New additions, exterior alterations, or related new construction shall not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and shall be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

The new two story connector was designed with contemporary materials. The first floor exterior finishes are glass and stucco and fade away. The second floor corrugated metal connector draws the eye and appears as though it could have been earlier.



Durham Hosiery Mill
Durham, Durham County



Additions should be sited as unobtrusively as possible.



Additions can normally be sensitively added at the rear of a house.



Additions should not be added to primary elevations



Additions should not overwhelm the historic house. Second floor additions will usually not meet the *Standards* as the historic roof will be removed and the massing will dramatically change.

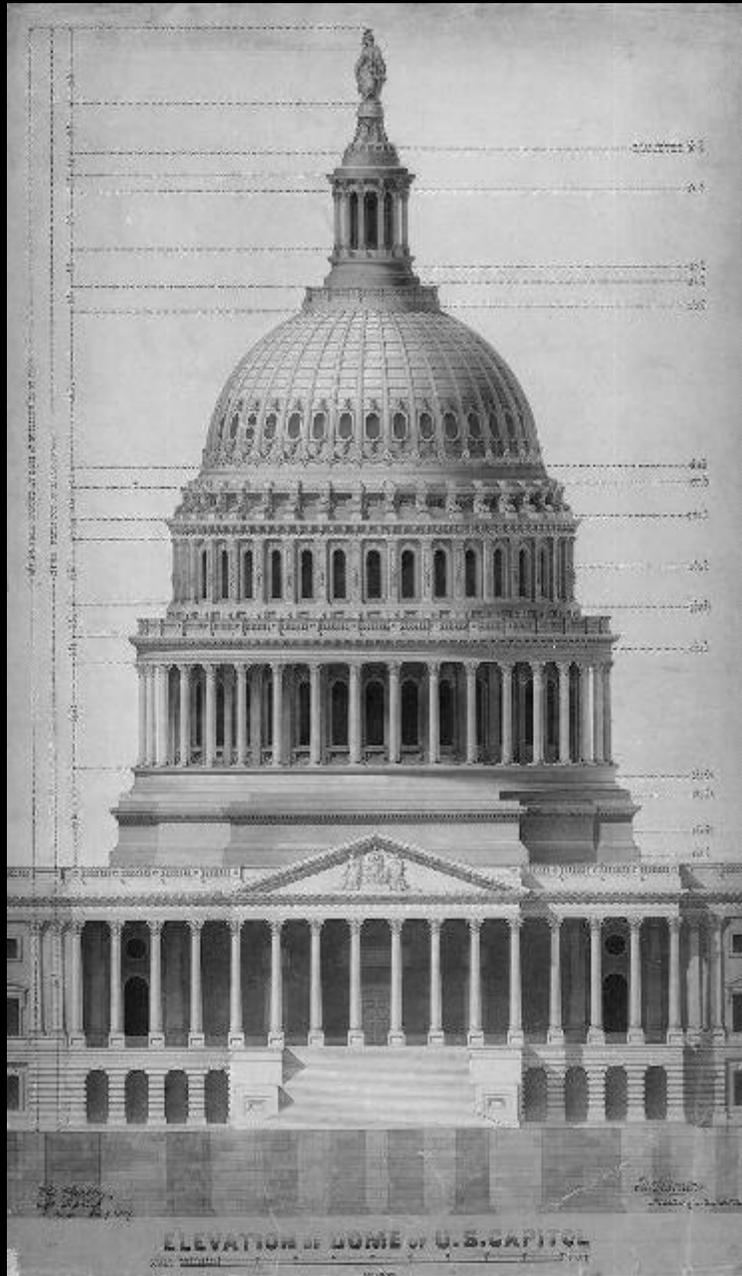


Historic Building

Addition



This old addition was off of the front of the building and resulted in the loss of part of the front porch. The addition does not complement the historic house as it is made of brick instead of wood and the orientation is different.



Federal and State
On-line Resources

[Link to National Park Service](#)



NATIONAL PARK SERVICE

THE SECRETARY OF THE INTERIOR'S STANDARDS
FOR THE TREATMENT OF HISTORIC PROPERTIES

with guidelines for

preserving rehabilitating restoring & reconstructing historic buildings

>> [introduction and historical overview](#)

>> [credits](#) >> [questions and comments](#)

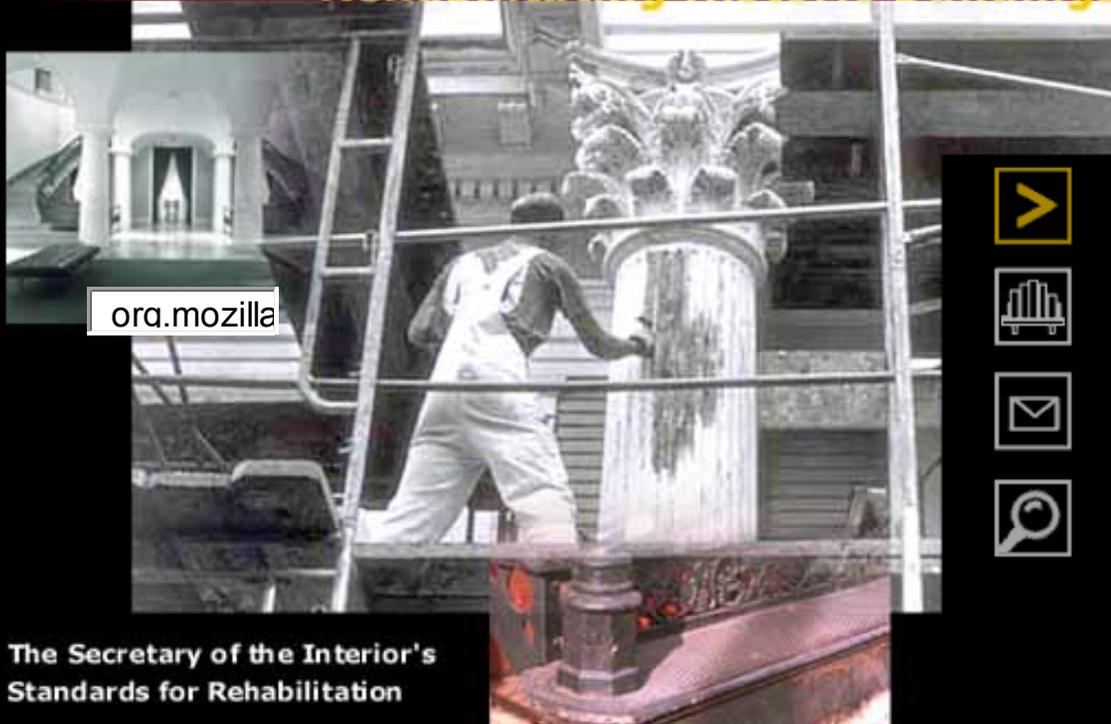
[NPS History & Culture](#) / [Technical Preservation Services](#)

*The Secretary of the Interior's Standards for the Treatment of Historic Properties
with Guidelines for Preserving, Rehabilitating, Restoring, & Reconstructing Historic Buildings*

Available at: <http://www.cr.nps.gov/hps/tps/standguide/>



Illustrated Guidelines for Rehabilitating Historic Buildings



**The Secretary of the Interior's
Standards for Rehabilitation**

*The Secretary of the Interior's Standards for Rehabilitation &
Illustrated Guidelines for Rehabilitating Historic Buildings*

Available at: <http://www.nps.gov/hps/tps/tax/rhb/>



The Secretary of the Interior's Standards for the Treatment of Historic Properties + Guidelines for the Treatment of Cultural Landscapes



Overview

Preservation Planning

Factors to Consider

Special Requirements

Using the Standards + Guidelines

Organization of the Guidelines

Terminology

Bibliography

Acknowledgments

The Secretary of the Interior's Standards for the Treatment of Historic Properties and the Guidelines for the Treatment of Cultural Landscapes provide guidance to cultural landscape owners, stewards and managers, landscape architects, preservation planners, architects, contractors, and project reviewers prior to and during the planning and implementation of project work.

Aerial view over taro fields at
Ke'anāe, Maui, Hawaii. (Elizabeth
Anderson)

*The Secretary of the Interior's Standards for the Treatment of Historic Properties
With Guidelines for the Treatment of Cultural Landscapes*

Available at: http://www.nps.gov/hps/hli/landscape_guidelines/index.htm



THE SECRETARY
OF THE INTERIOR'S
STANDARDS FOR
REHABILITATION &

ILLUSTRATED
GUIDELINES ON
SUSTAINABILITY
FOR
REHABILITATING
HISTORIC
BUILDINGS



U.S. Department of the Interior
National Park Service
Technical Preservation Services



Notice: Registration for April 21, 2017 Environmental Review Consultant Workshop

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The Historic Rehabilitation Tax Credits and The Secretary of the Interior's Standards for Rehabilitation

Wake Forest ◦ June 1, 2017

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