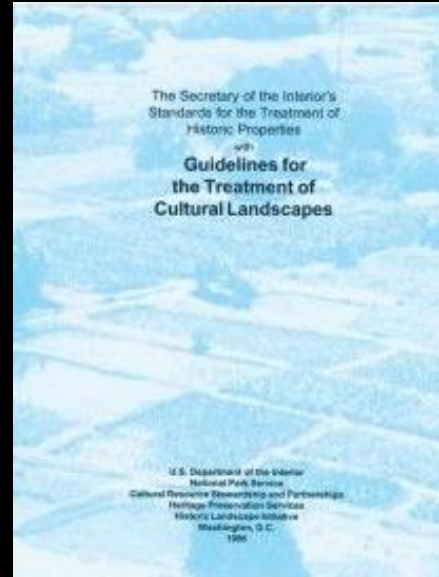
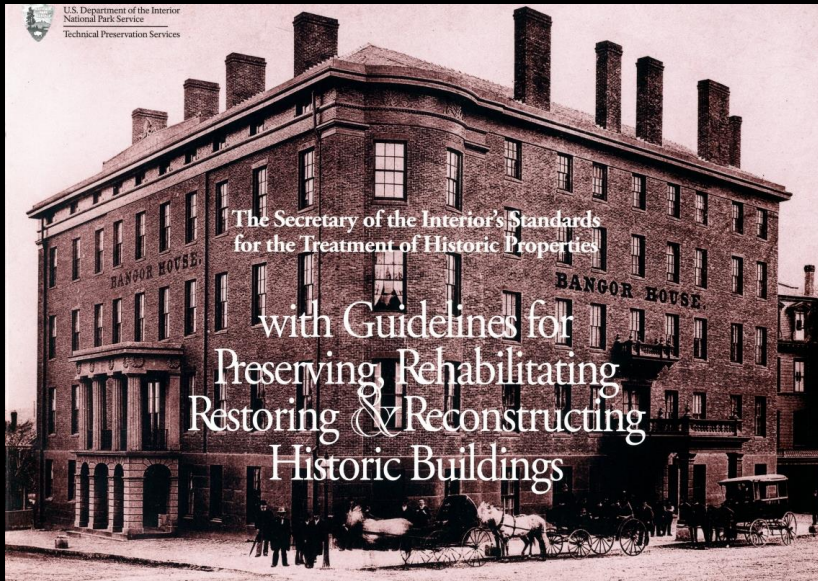


# The Secretary of the Interior's Treatments of Historic Properties and The Secretary of the Interior's Standards for Rehabilitation



## Historic Rehabilitation Tax Credits

Hope Mills, March 4, 2020

Jeff Adolphsen, Senior Restoration Specialist, North Carolina State Historic Preservation Office, [jeff.adolphsen@ncdcr.gov](mailto:jeff.adolphsen@ncdcr.gov), 919-814-6572

<https://www.ncdcr.gov/about/history/division-historical-resources/nc-state-historic-preservation-office>

# Terminology

## Treatments for Historic Properties

1. Preservation
2. Rehabilitation
3. Restoration
4. Reconstruction

# What is Preservation?

Preservation is defined as “the process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property. Work ...generally focuses upon the ongoing maintenance and repair of historic materials and features rather than extensive replacement and new construction. New exterior additions are not within the scope of this treatment; however, the limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties function is appropriate within a preservation project.



House  
Smithfield, Johnston County



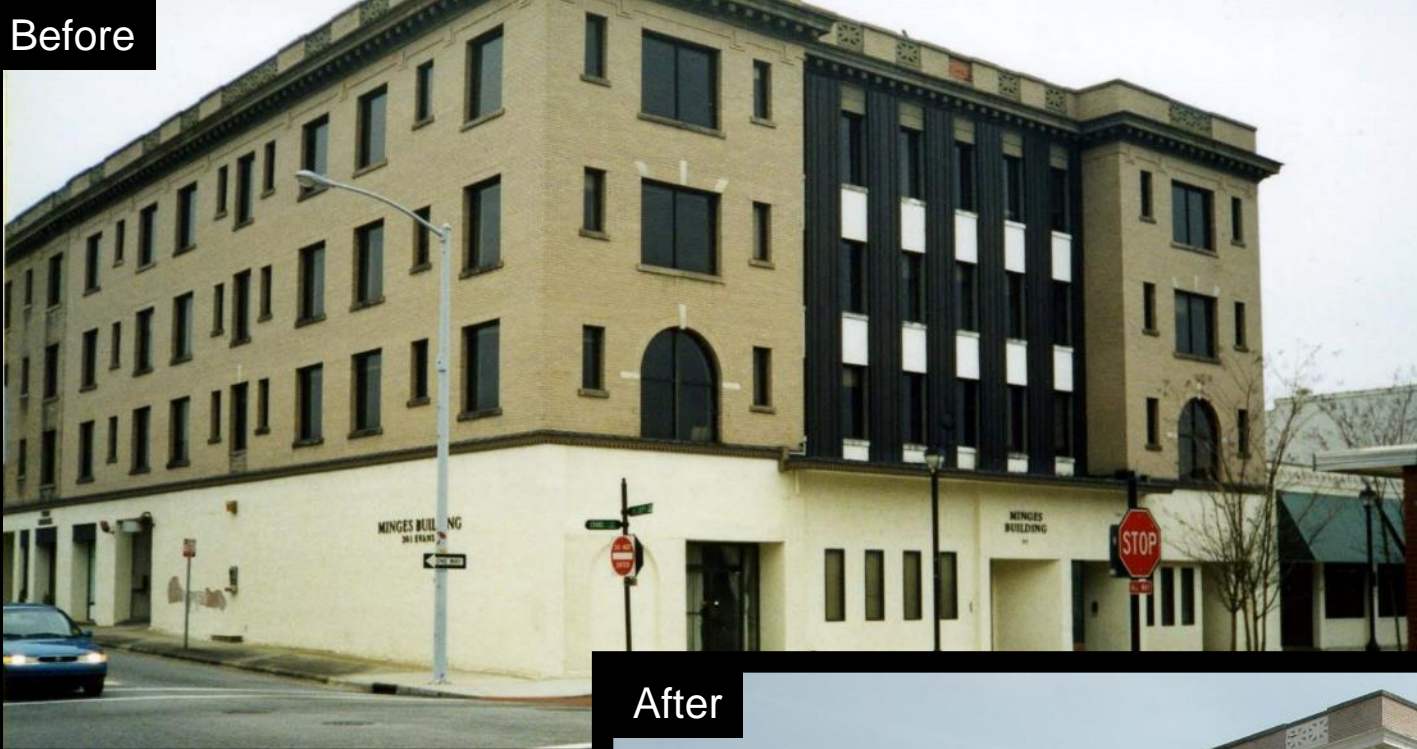
(former) Gethsemane Seventh Day Adventist Church  
Raleigh, Wake County



# 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.”

Before



After



Documentary



Proctor Hotel  
Greenville, Pitt County

# What is Restoration?

Restoration is defined as “the process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time by means of the removal of features from other periods in its history and reconstruction of missing features from the restoration period. The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate within a restoration project.



Oval Ballroom  
Fayetteville, Cumberland County



Bald Head Island Lighthouse  
Brunswick County



Endor Iron Furnace  
Lee County



# What is Reconstruction?

Reconstruction is the process of depicting, by means of new construction, the form, features, and detailing of a non-surviving site, landscape, building, structure, or object for the purpose of replicating its appearance at a specific period of time and in its historic location.



Somerset Plantation  
Creswell, Washington County

## Summary of the *Standards* for each Treatment

Preservation results in the retention of the greatest amount of historic fabric, along with the resource's historic form, features, and detailing as they have evolved over time.

Rehabilitation acknowledges the need to alter or add to a historic resource to meet continuing or new uses while retaining the resource's historic character.

Restoration allows for the depiction of a building at a particular time in its history by preserving material from the period of significance and removing materials from other periods.

Reconstruction establishes a framework for re-creating a vanished or non-surviving resource with new materials, primarily for interpretive purposes.

## *The Secretary of the Interior's Standards and Guidelines 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.

# *Guidelines for Rehabilitating Historic Buildings*

## Format

- **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*

## Format

- **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.

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

1. A property will 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.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will 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, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will 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 will 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.

## *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...



House  
Salisbury, Rowan County



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



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





Before

Lower Hardware Building  
Albemarle, Stanly County



After

commercial projects...

After



Bear-Munson Building  
Wilmington, New Hanover County



Before



Blount Harvey Building  
Greenville, Pitt County



Imperial Tobacco Warehouse  
Rocky Mount, Nash County



industrial complexes, and...



Garage  
Isenhour House  
Sanford, Lee County



Barn  
Shelton Plantation  
Chowan County



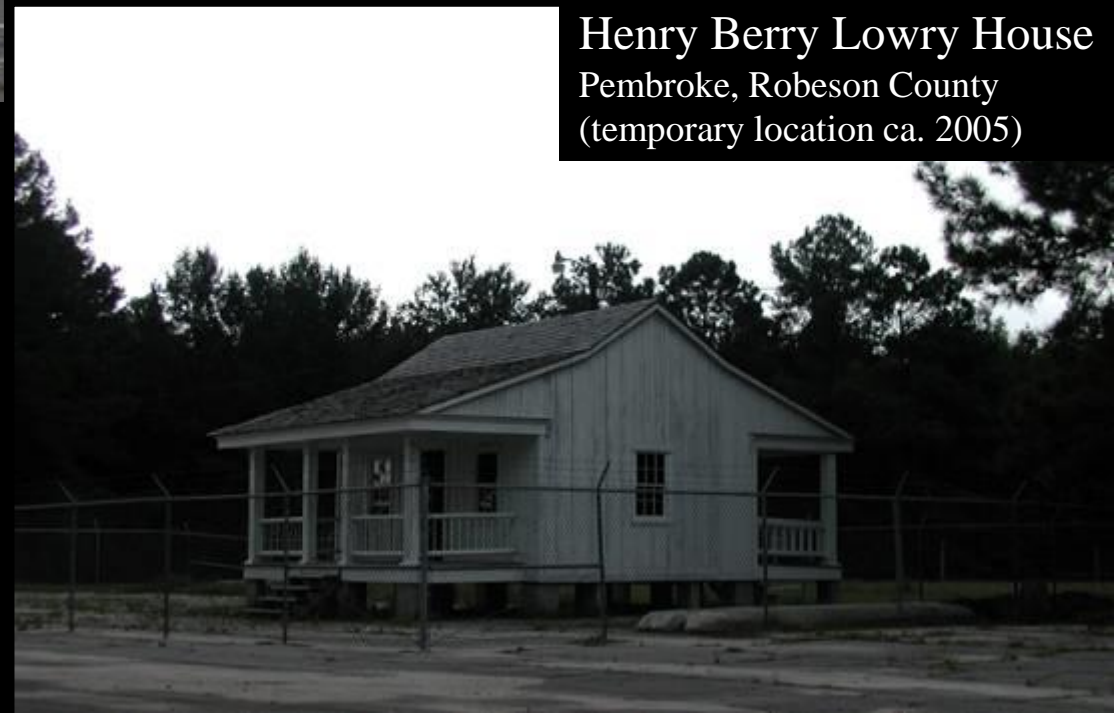
...other ancillary historic outbuildings, such as garages and barns.



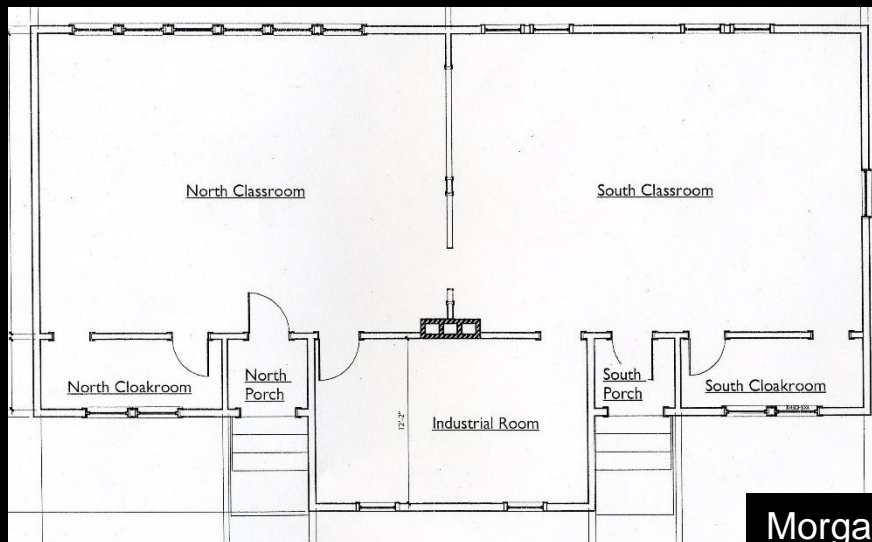
Potential problems in site planning could arise if the new use requires many alterations including parking covering a majority of the site.

Left – increased parking resulted in the loss of a significant tree-lined walkway.

Right – Relocated buildings should be sensitively sited. The new site should be as similar to the historic site as possible in terms of: setting, location, design, workmanship, materials, feeling, and association.

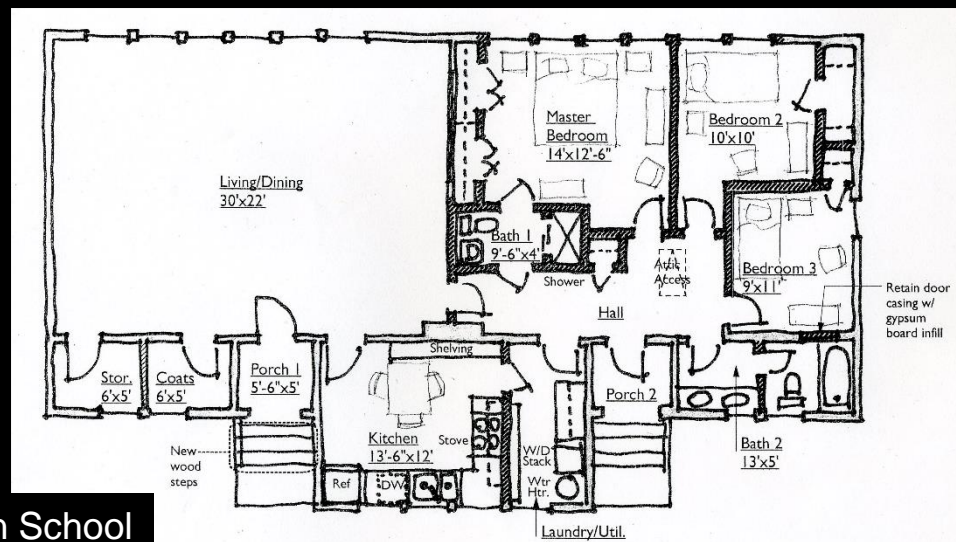


Henry Berry Lowry House  
Pembroke, Robeson County  
(temporary location ca. 2005)



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 (1) made of superior materials, their existence is a testimony to the quality of materials given the frequent lack of maintenance; (2) they are easy to maintain and repair; (3) they are energy efficient when combined with a storm window, (4) the practice is sustainable – unlike replacement windows; and (5) according to life cycle cost analysis, replacement windows do not pay for themselves in energy savings during the life of the replacement window.



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.



Prince Charles Hotel  
Fayetteville, Cumberland County



Historic windows must be repaired. The occasional deteriorated window can be replaced to match the remaining historic windows. The owner lost his bid to replace the historic windows with vinyl windows with snap in muntins. No more than 8% of the sash are scheduled to be replaced in the proposed rehabilitation.



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.

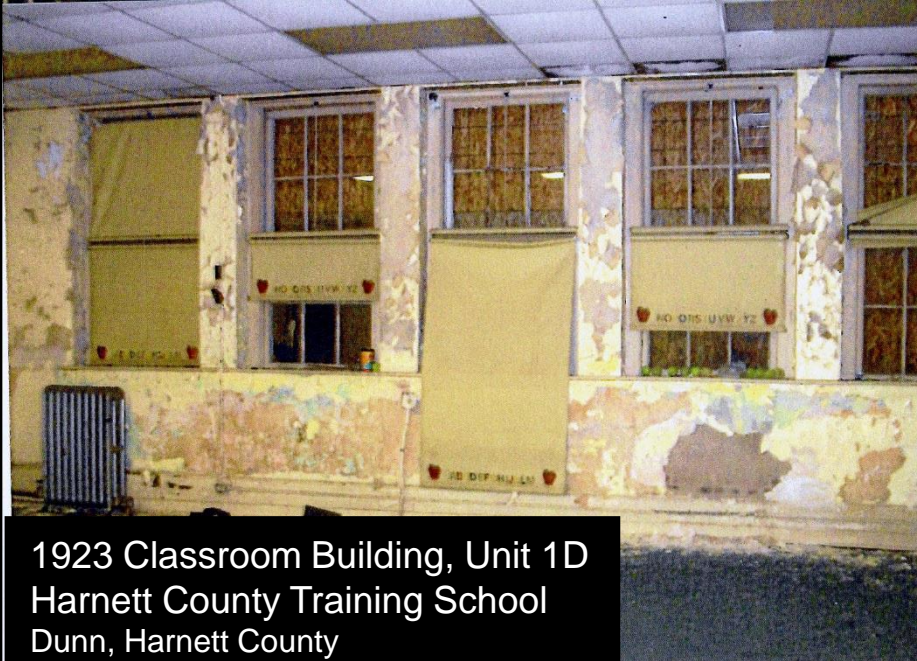
Retain spatial relationships of buildings/wings to each other



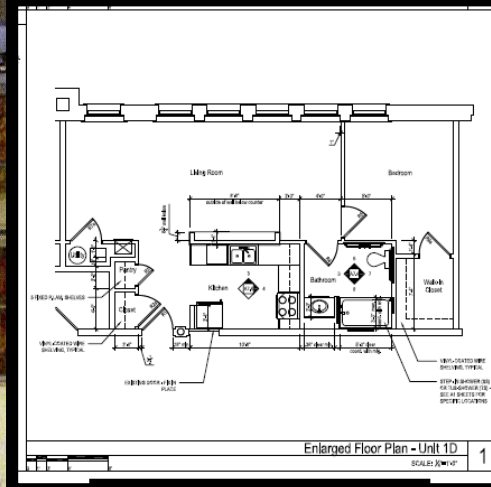
Long Valley Farm Seat  
Cumberland County



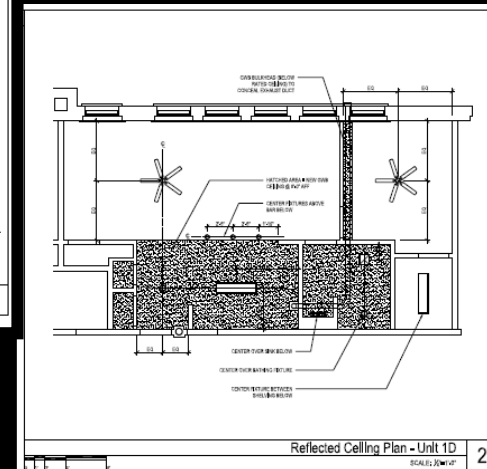
Retain significant corridors and public spaces



1923 Classroom Building, Unit 1D  
 Harnett County Training School  
 Dunn, Harnett County



Floor Plan – Unit 1D



Reflected Ceiling Plan – Unit 1D



Unit 1D - Later drop ceilings were removed. The volume of space was retained along the exterior wall, but apartments received a one-hour fire rating by installing sheetrock over the plaster walls and wood ceilings and Gypcrete was floated atop the wood floor.



Strickland House  
Wake Forest, Wake County



Stephenson House  
Wake County



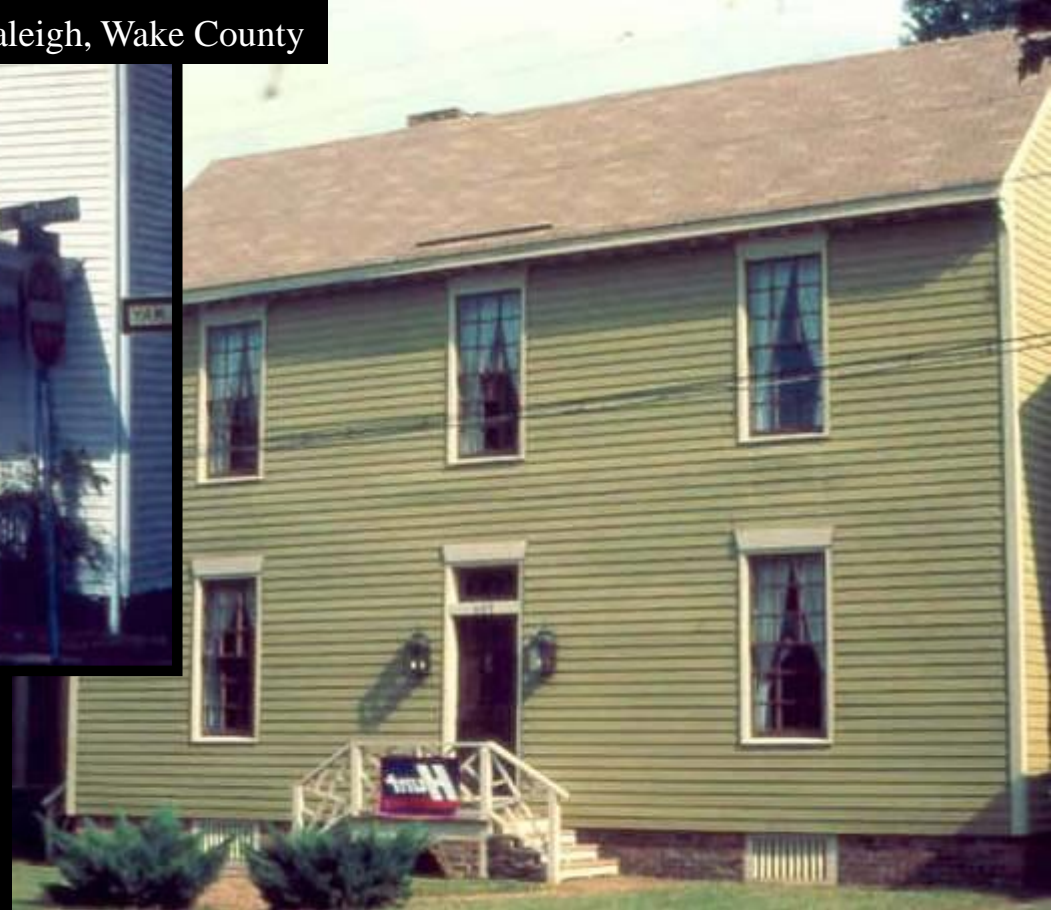
Materials that were installed after the period of significance, such as drop ceilings, paneling, and linoleum flooring, are not considered historic and do not need to be retained.

## *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

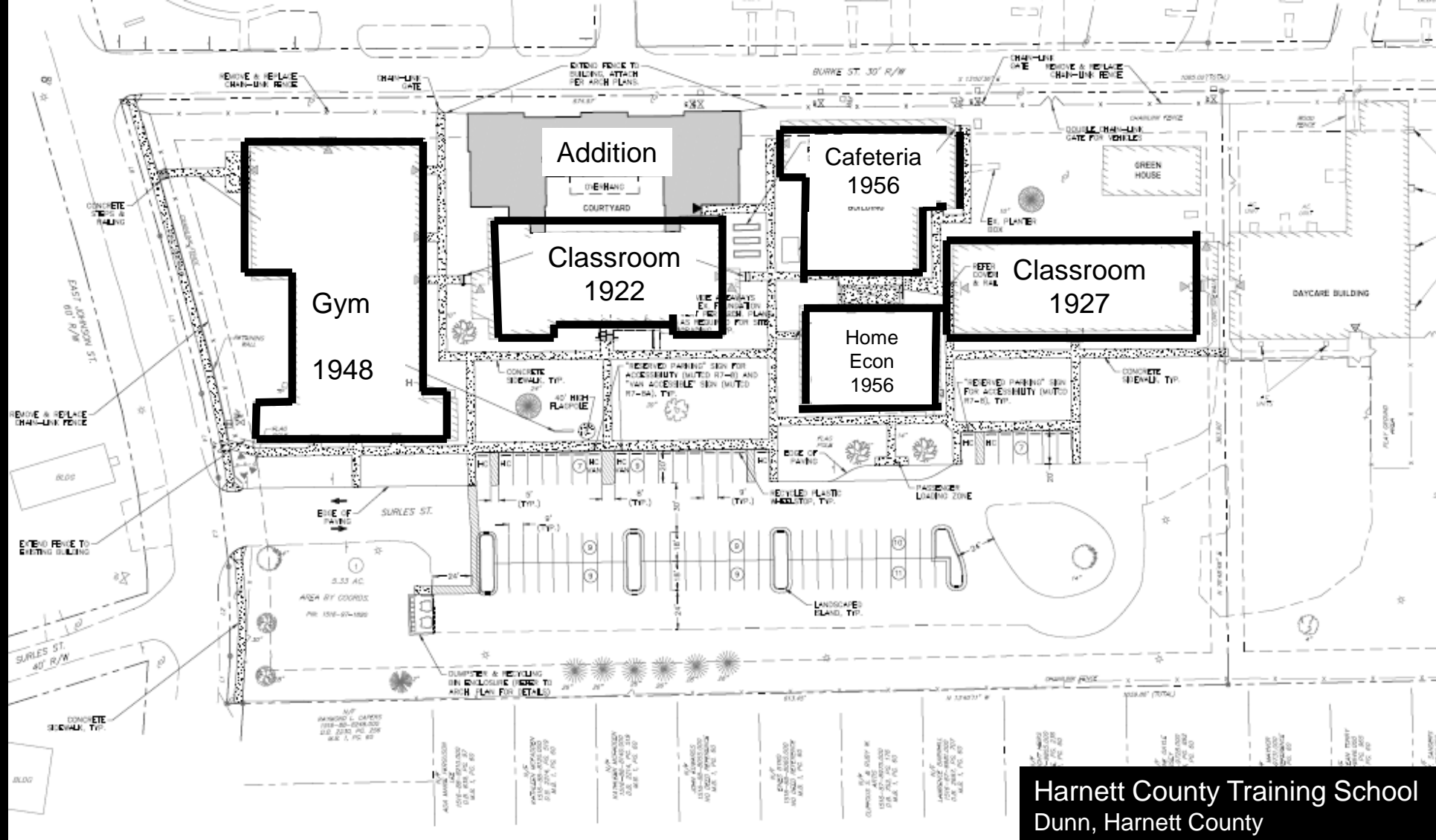


First period, second-floor, Italianate mantel



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.



Harnett County Training School  
Dunn, Harnett County

The period of significance of the Harnett County Training School spans 44 years from 1922 with the construction of the first classroom building (the only two-story building on the campus) through 1966 when the last class graduated. Buildings that contribute to the historic significance include: the 1922 classroom building; the 1927 classroom building; the 1948 gym; and the 1956 cafeteria building and multi-purpose building. Work to all five historic buildings and within the site had to be reviewed and approved to receive the rehabilitation tax credits.



1 - 1922 Original Classroom

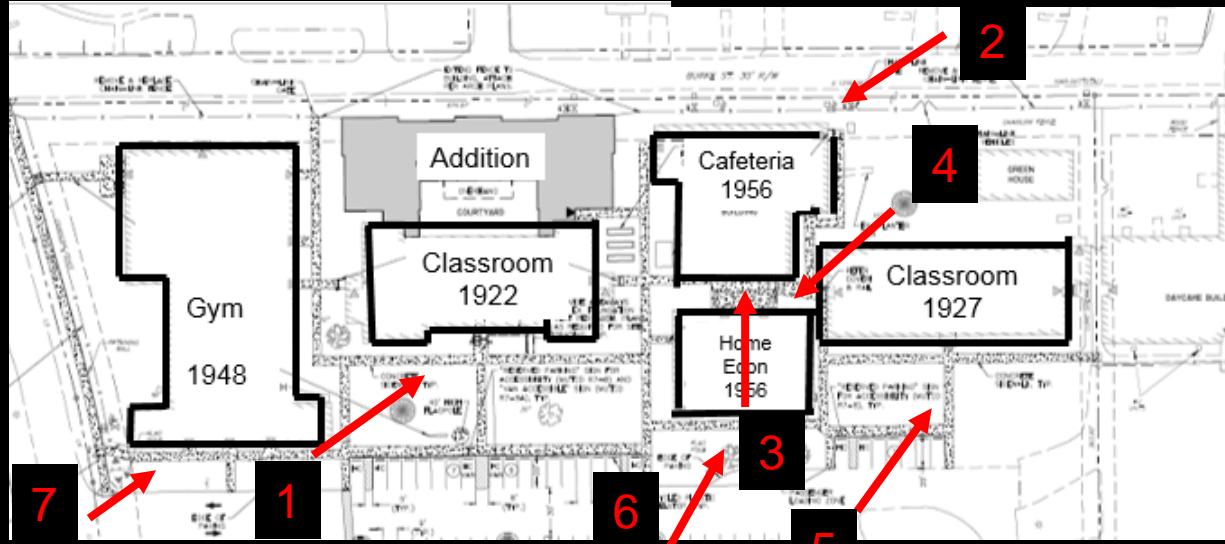


2 - 1956 Cafeteria

# Harnett County Training School Dunn, Harnett County



3 - 1956 Cafeteria



All five buildings were built during the period of significance and are historic.



4 - 1956 Multi-purpose



7 - 1948 Gym



6 - 1956 Multi-purpose



5 - 1927 Classroom

## *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.

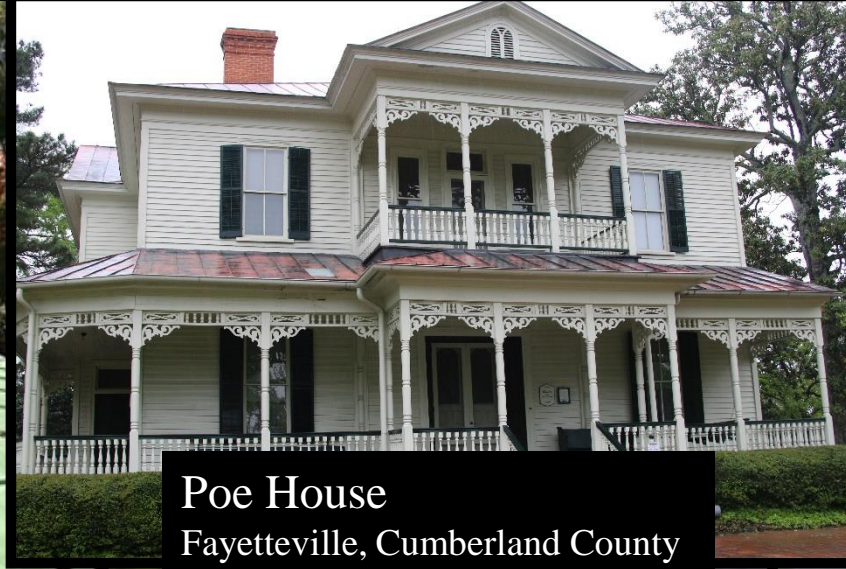
Glencoe Mill Village House  
Burlington, Alamance County



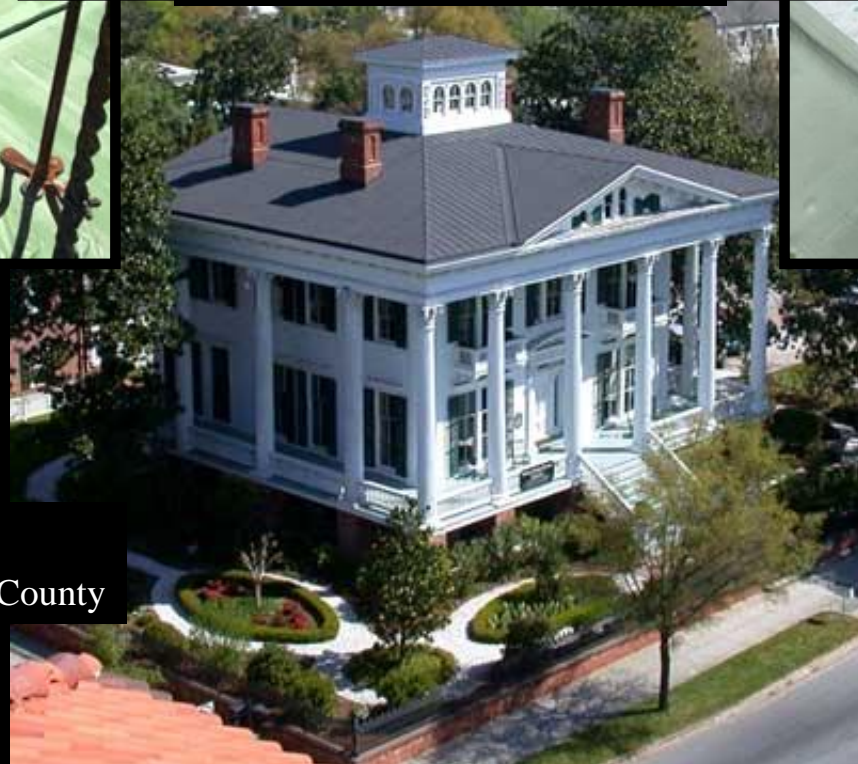
Preserve historic finishes, including simple finishes, such as wood sheathed ceilings and walls, balustrades, windows, doors, surrounds, and floors.

## *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.





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



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; (4) when coupled with a storm sash they can be more energy efficient than a new unit; and (5) according to life-cycle cost analysis, replacement windows do not pay for themselves in energy savings during the life of the replacement +-window.



Exterior



Interior

To properly secure window openings while sash are removed to make necessary repairs, install plywood over the window opening and clamp in place with 2x4s (inside and outside) and carriage bolts. This will eliminate damage to surrounds by nails.



Existing windows can be retrofitted with weather stripping. If the muntins is deep enough, insulated glazing can be installed. Beware insulated glazing will fail when the anti-desiccant fails.





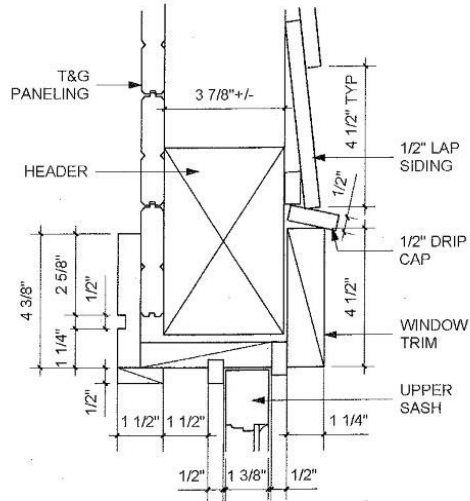
Jamb liners may be needed if sash contain lead paint.



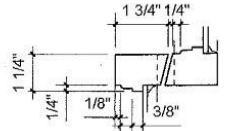
Sanford Buggy Factory Grand Opening  
Sanford, Lee County  
March 7, 2016

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

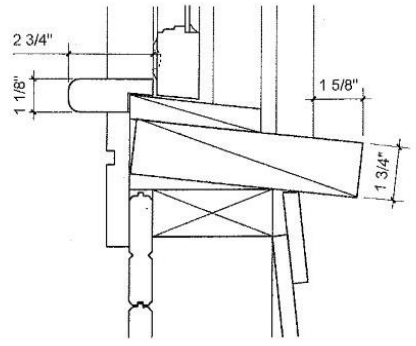




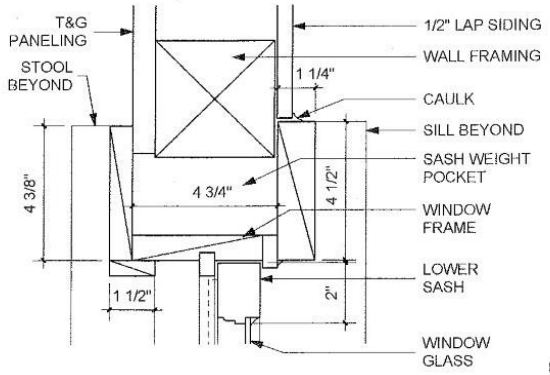
WINDOW HEAD  
Scale: 3" = 1'-0"



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

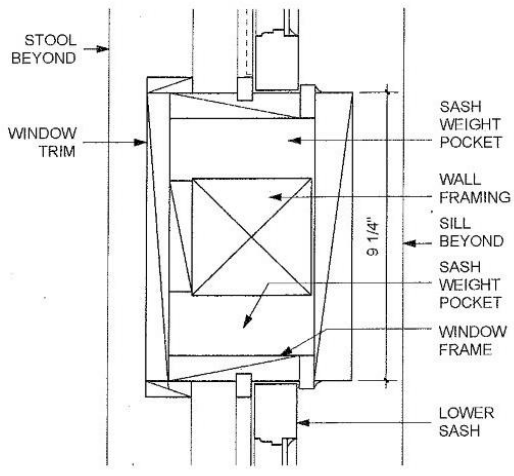


WINDOW SILL  
Scale: 3" = 1'-0"

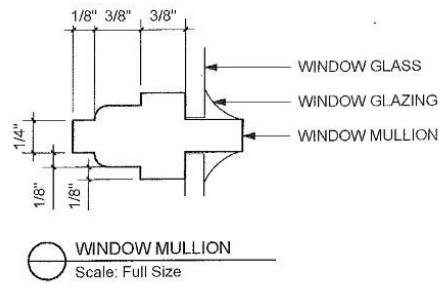


WINDOW END JAMB  
Scale: 3" = 1'-0"

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



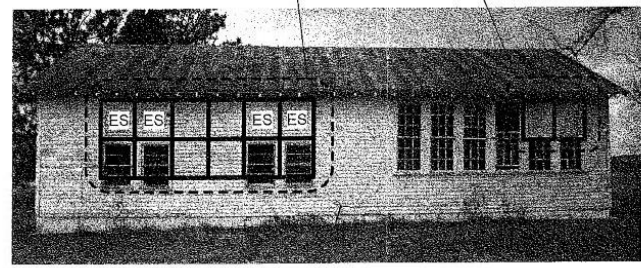
WINDOW INTERMEDIATE JAMB  
Scale: 3" = 1'-0"



WINDOW MULLION  
Scale: Full Size

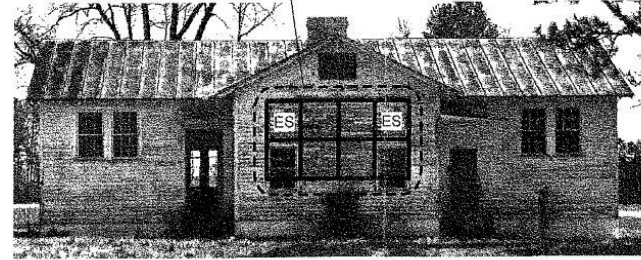
PROVIDE 6 NEW WINDOWS TO MATCH ORIGINAL. REUSE 4 ORIGINAL EXISTING UPPER SASHES (ES) REMAINING IN WALL.

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



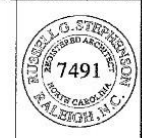
EAST FACADE  
No Scale

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



WEST FACADE  
No Scale

NOT FOR CONSTRUCTION



RUSSELL STEPHENSON, ARCHITECT  
218 OSBERT ROAD, BAILEY, NC 27808  
TEL: 919-293-2699 FAX: 919-293-2199  
E-MAIL: RSTEPHENSON@BELLSOUTH.NET

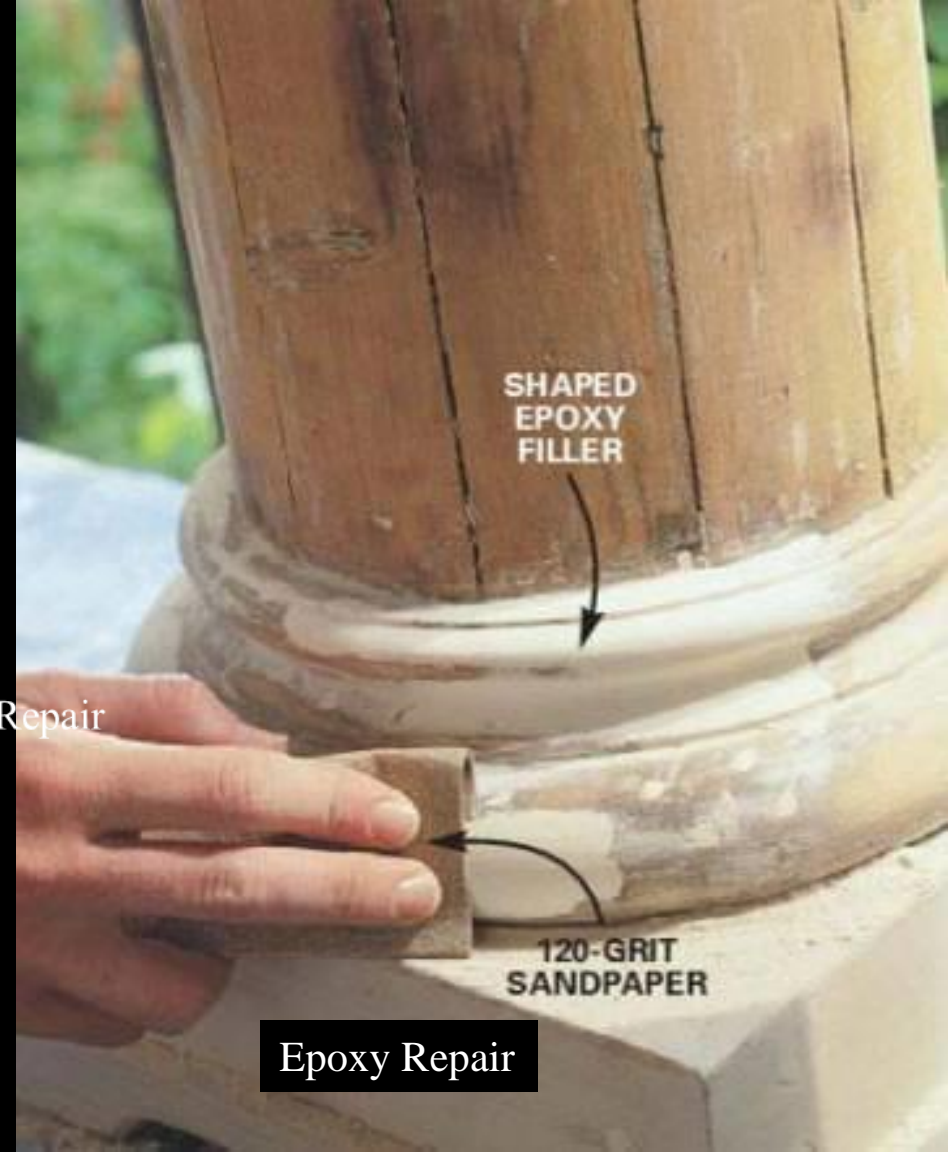
MORGAN SCHOOL RENOVATION  
JERRY HORNER  
7427 WINTERS RD  
BAILEY, NC 27807  
HORNERJERR@AOL.COM

WINDOW DETAILS

30 JAN 2006



Epoxy Repair



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.

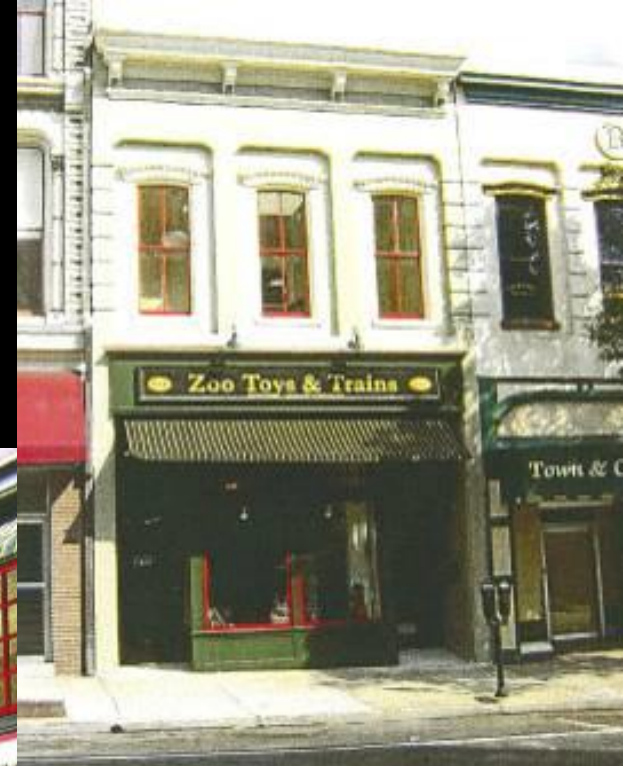


House  
Salisbury, Rowan County

Restore missing architectural features, such as porches, based on physical or documentary evidence.



Bear-Munson Building  
Wilmington, New Hanover County



Before



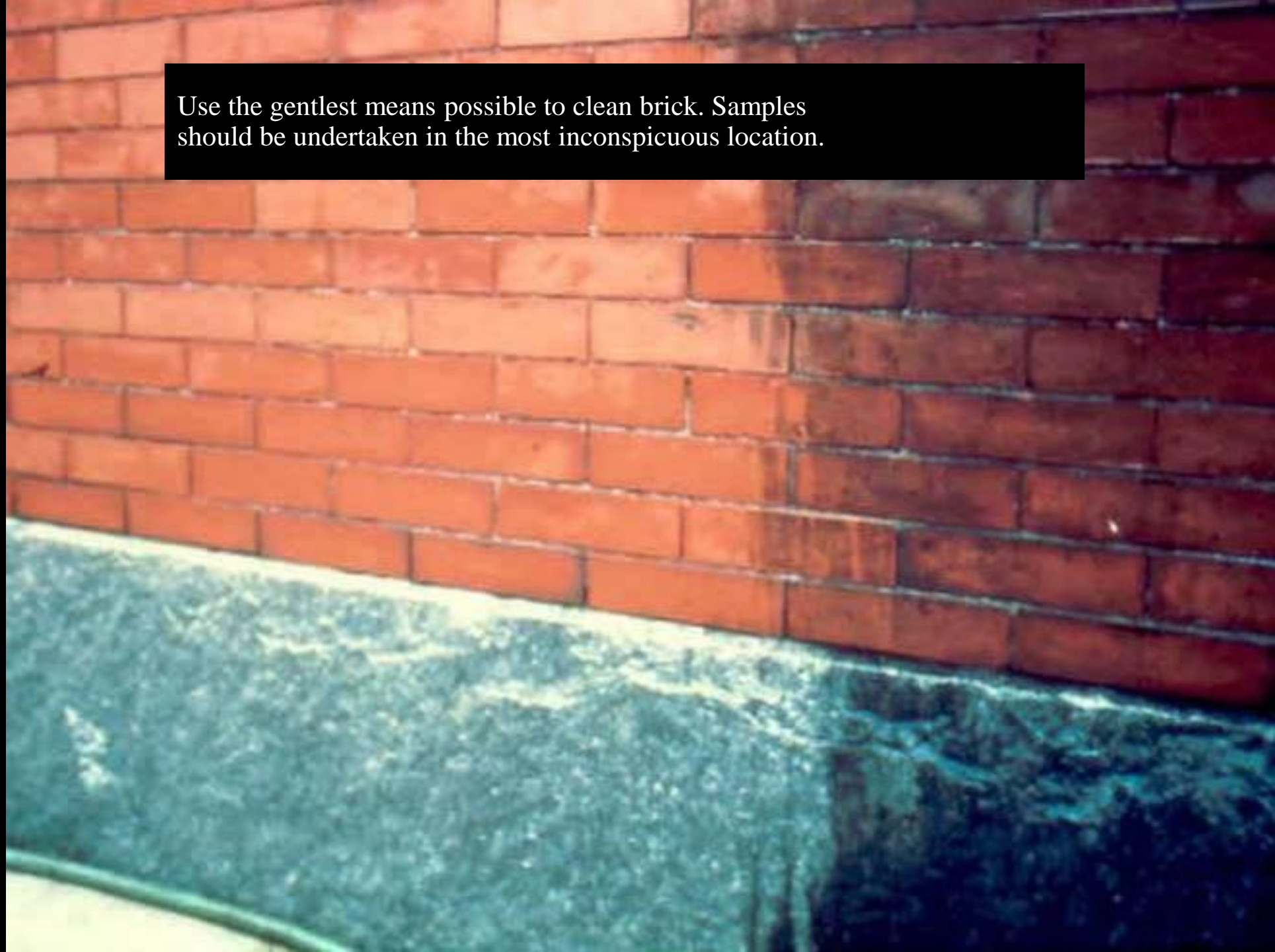
After

New storefronts should be based on physical evidence or what was typical for the era.

## *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.

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.



Provide proper drainage away from buildings.



## *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.

## *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.



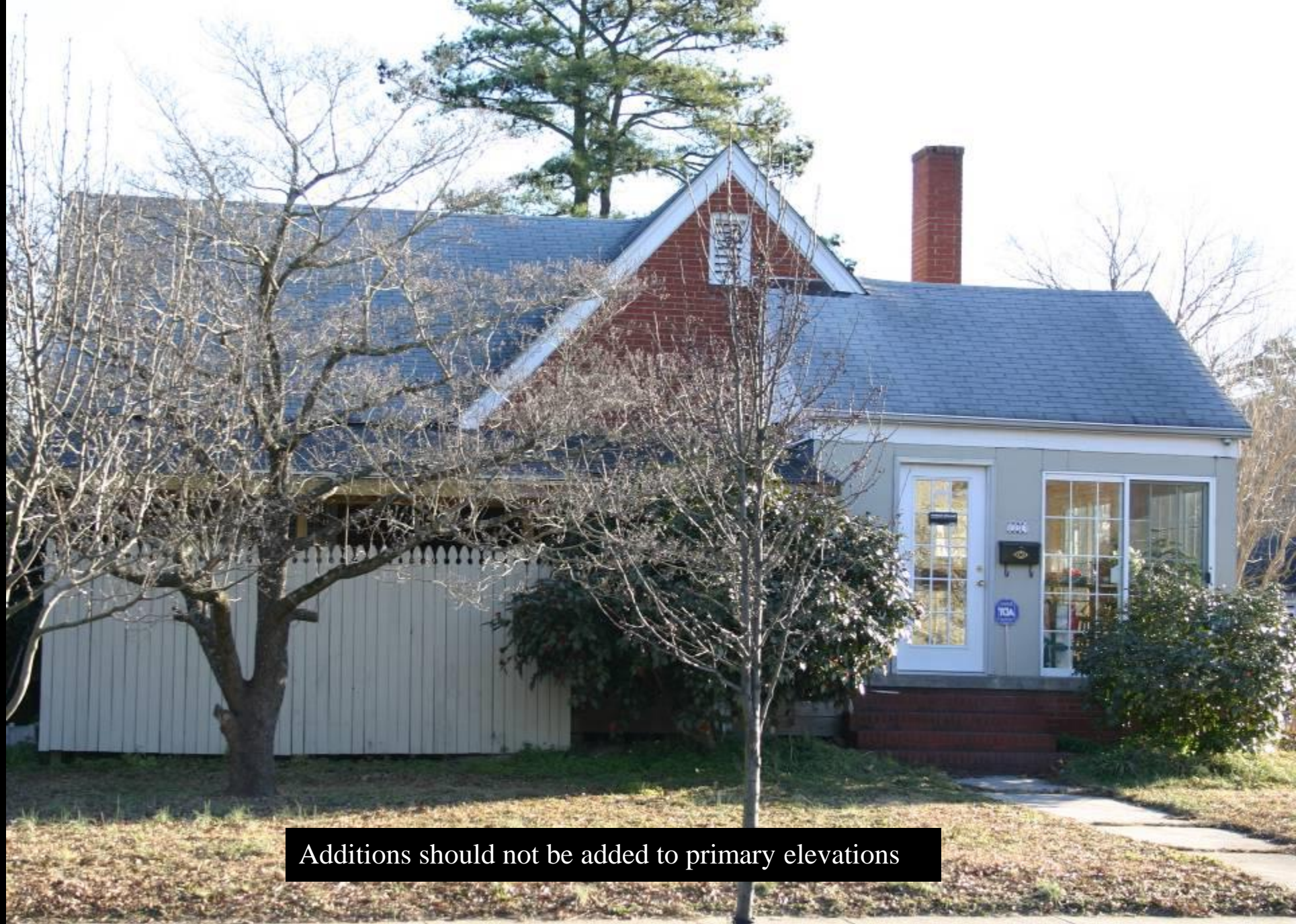
**Durham Hosiery Mill**  
Durham, Durham County



Additions should be sited as unobtrusively as possible.



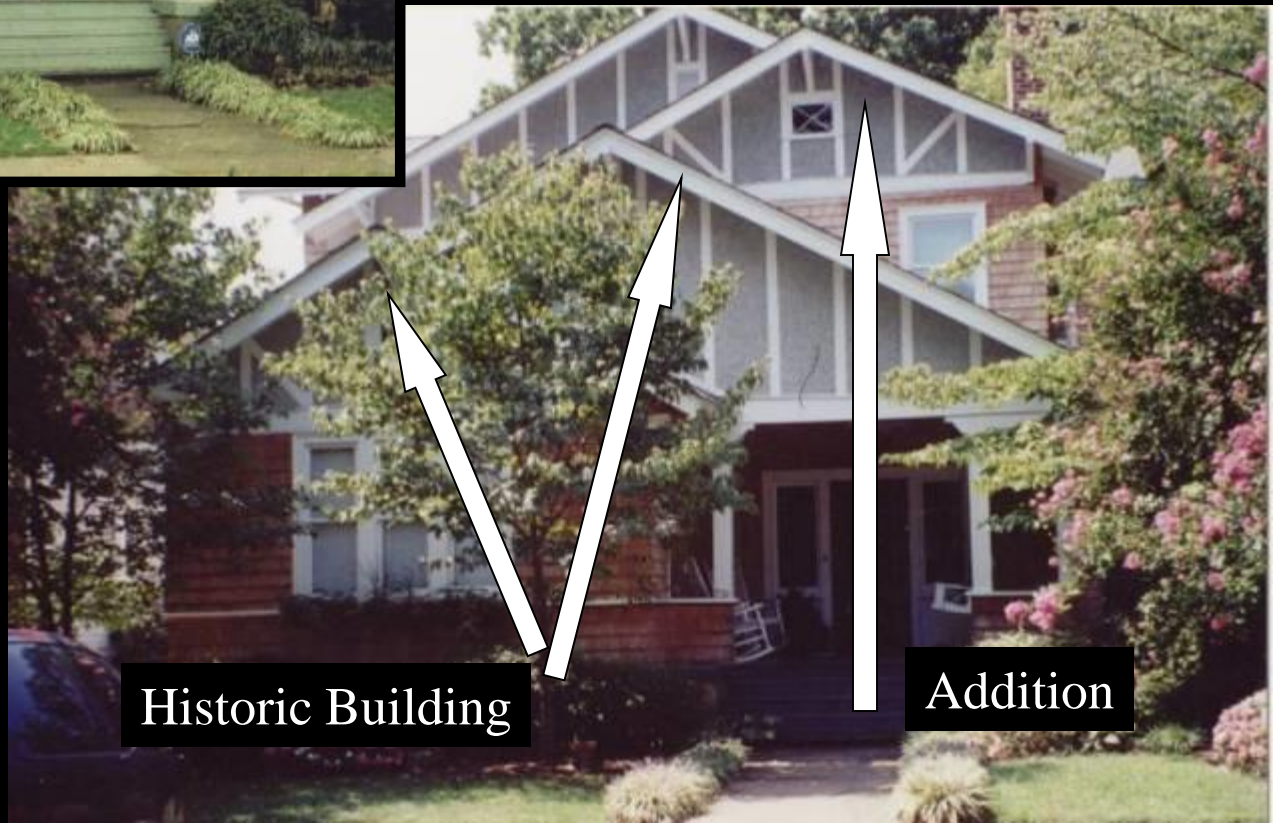
Additions can normally be sensitively added at the rear of a house.



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.



UNITED STATES DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE  
**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 1 – EVALUATION OF SIGNIFICANCE**

OMB Approved  
No. 1024-0009  
Form 10-168  
Rev. 2014

NPS Project Number \_\_\_\_\_

**Instructions:** This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in 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 takes precedence. A copy of this form will be provided to the Internal Revenue Service.

**1. Property Name** \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name of Historic District \_\_\_\_\_

- National Register district     certified state or local district     potential district

**2. Nature of request (check only one box)**

- certification that the building contributes to the significance of the above-named historic district or National Register property for rehabilitation purposes.  
 certification that the building contributes to the significance of the above-named historic district for a charitable contribution for conservation purposes.  
 certification that the building does not contribute to the significance of the above-named district.  
 preliminary determination for individual listing in the National Register.  
 preliminary determination that a building located within a potential historic district contributes to the significance of the district.  
 preliminary determination that a building outside the period or area of significance contributes to the significance of the district.

**3. Project Contact (if different from applicant)**

Name \_\_\_\_\_ Company \_\_\_\_\_

Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**4. Applicant**

I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable] (1)  I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or (2)  if I am not the fee simple owner of the above-described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.

Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Applicant Entity \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_

Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**NPS Official Use Only**

The National Park Service has reviewed the Historic Preservation Certification Application – Part 1 for the above-named property and has determined that the property:

- contributes to the significance of the above-named district or National Register property and is a "certified historic structure" for rehabilitation purposes.  
 contributes to the significance of the above-named district and is a "certified historic structure" for a charitable contribution for conservation purposes.  
 does not contribute to the significance of the above-named district.

**Preliminary Determinations:**

- appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer according to the procedures set forth in 36 CFR Part 60.  
 does not appear to meet the National Register Criteria for Evaluation and will likely not be listed in the National Register.  
 appears to contribute to the significance of a potential historic district, which will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer.  
 appears to contribute to the significance of a registered historic district if the period or area of significance as documented in the National Register nomination or district documentation on file with the NPS is expanded by the State Historic Preservation Officer.  
 does not appear to qualify as a certified historic structure.

Date \_\_\_\_\_ National Park Service Authorized Signature \_\_\_\_\_

- NPS comments attached

**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 1 – EVALUATION OF SIGNIFICANCE**

Property name \_\_\_\_\_ NPS Project Number \_\_\_\_\_

Property address \_\_\_\_\_

**5. Description of physical appearance**

Date(s) of building(s) \_\_\_\_\_ Date(s) of alteration(s) \_\_\_\_\_

Has building been moved?  no  yes, specify date \_\_\_\_\_

**6. Statement of significance**

**7. Photographs and maps.** Send photographs and map with application.



UNITED STATES DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE  
**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 2 – DESCRIPTION OF REHABILITATION**

OMB Approved  
No. 1024-0009  
Form 10-168  
Rev. 2014

NPS Project Number \_\_\_\_\_

**Instructions:** This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in 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 takes precedence. A copy of this form will be provided to the Internal Revenue Service.

**1. Property Name** \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Name of Historic District \_\_\_\_\_  
 Listed individually in the National Register of Historic Places; date of listing \_\_\_\_\_  
 Located in a Registered Historic District; name of district \_\_\_\_\_  
 Part 1 – Evaluation of Significance submitted? Date submitted \_\_\_\_\_ Date of certification \_\_\_\_\_

**2. Project Data**  
Date of building \_\_\_\_\_ Estimated rehabilitation costs (QRE) \_\_\_\_\_  
Number of buildings in project \_\_\_\_\_ Floor area before / after rehabilitation \_\_\_\_\_ / \_\_\_\_\_ sq ft  
Start date (estimated) \_\_\_\_\_ Use(s) before / after rehabilitation \_\_\_\_\_ / \_\_\_\_\_  
Completion date (estimated) \_\_\_\_\_ Number of housing units before / after rehabilitation \_\_\_\_\_ / \_\_\_\_\_  
Number of phases in project \_\_\_\_\_ Number of low-moderate income housing units before / after rehabilitation \_\_\_\_\_ / \_\_\_\_\_

**3. Project Contact (if different from applicant)**  
Name \_\_\_\_\_ Company \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**4. Applicant**  
I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable] (1)  I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or (2)  if I am not the fee simple owner of the above-described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Applicant Entity \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_  
 Applicant, SSN, or TIN has changed since previously submitted application.

**NPS Official Use Only**

The National Park Service has reviewed the Historic Preservation Certification Application – Part 2 for the above-named property and has determined that:

- the rehabilitation described herein is consistent with the historic character of the property and, where applicable, with the district in which it is located and that the project meets the Secretary of the Interior's Standards for Rehabilitation. This letter is a preliminary determination only, since a formal certification of rehabilitation can be issued only to the owner of a "certified historic structure" after rehabilitation work is complete.
- the rehabilitation or proposed rehabilitation will meet the Secretary of the Interior's Standards for Rehabilitation if the attached conditions are met.
- the rehabilitation described herein 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.

Date \_\_\_\_\_ National Park Service Authorized Signature \_\_\_\_\_

NPS conditions or comments attached

**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 2 – DESCRIPTION OF REHABILITATION**

Property name \_\_\_\_\_ NPS Project Number \_\_\_\_\_

Property address \_\_\_\_\_

**5. Detailed description of rehabilitation work** Use this page to describe all work or create a comparable format with this information.  
Number items consecutively to describe all work, including building exterior and interior, additions, site work, landscaping, and new construction.

Number	Feature	Date of Feature

Describe existing feature and its condition

Photo numbers \_\_\_\_\_ Drawing numbers \_\_\_\_\_

Describe work and impact on feature

Number	Feature	Date of Feature

Describe existing feature and its condition

Photo numbers \_\_\_\_\_ Drawing numbers \_\_\_\_\_

Describe work and impact on feature

Add Item



**HISTORIC PRESERVATION CERTIFICATION APPLICATION  
PART 3 – REQUEST FOR CERTIFICATION OF COMPLETED WORK**

NPS Project Number \_\_\_\_\_

Instructions: This page must bear the applicant's original signature and must be dated.

**1. Property Name** \_\_\_\_\_  
 Street \_\_\_\_\_  
 City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Is property a certified historic structure?  yes  no If yes, date of NPS certification \_\_\_\_\_ OR date of National Register listing \_\_\_\_\_

**2. Project Data**  
 Project start date \_\_\_\_\_ Project completed and building placed in service date \_\_\_\_\_  
 Estimated rehabilitation costs (QRE) \_\_\_\_\_ Total estimated costs (QRE plus non-QRE) \_\_\_\_\_  
 Number of housing units before/after rehabilitation \_\_\_\_\_ / \_\_\_\_\_ Number of low-moderate housing units before/after rehabilitation \_\_\_\_\_ / \_\_\_\_\_

**3. Project Contact** (if different from applicant)  
 Name \_\_\_\_\_ Company \_\_\_\_\_  
 Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
 Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**4. Applicant** List all additional owners on next page.  
 I hereby attest that the information I have provided is, to the best of my knowledge, correct and that I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011). If I am not the fee simple owner of the above-described property, then I have checked the following box  to attest that the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which statement (a) either is attached to this application form and incorporated herein, or has been previously submitted, and (b) meets the requirements of 36 CFR § 67.3(a) (1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.  
 Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Applicant Entity \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
 Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
 Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_  
 Applicant, SSN, or TIN has changed since previously submitted application.  
 There are no additional owners within the meaning of "owner" set forth in 36 CFR § 67.2 (2011).

**NPS Official Use Only**

The National Park Service has reviewed the Historic Preservation Certification Application – Request for Certification of Completed Work (Part 3) for this property and has determined 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 Internal Revenue Service regulations. Questions concerning specific tax consequences or interpretations of the Internal Revenue Code should be addressed to the Internal Revenue Service. Completed projects may be inspected by an authorized representative of the Secretary to determine if the work meets the Standards for Rehabilitation. The Secretary reserves the right to make inspections at any time up to five years after completion of the rehabilitation and to revoke certification, if it is determined that the rehabilitation project was not undertaken as presented by the owner in the application form and supporting documentation, or the owner, upon obtaining certification, undertook unapproved further alterations as part of the rehabilitation project inconsistent with the Secretary's Standards for Rehabilitation.

the completed rehabilitation meets the Secretary of the Interior's Standards for Rehabilitation. However, because this property is not yet a "certified historic structure," the rehabilitation cannot be designated a "certified rehabilitation" eligible for Federal tax credits at this time. It will become a "certified historic structure" on the date it or the historic district in which it is located is listed in the National Register of Historic Places. On that date, the completed rehabilitation will automatically become a "certified rehabilitation." It is the owner's responsibility to obtain such listing through the State Historic Preservation Office. Questions concerning specific tax consequences or interpretations of the Internal Revenue Code should be addressed to the Internal Revenue Service. Completed projects may be inspected by an authorized representative of the Secretary to determine if the work meets the Standards for Rehabilitation. The Secretary reserves the right to make inspections at any time up to five years after completion of the rehabilitation and to revoke certification, if it is determined that the rehabilitation project was not undertaken as presented by the owner in the application form and supporting documentation, or the owner, upon obtaining certification, undertook unapproved further alterations as part of the rehabilitation project inconsistent with the Secretary's Standards for Rehabilitation.

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.

A copy of this determination will be provided to the Internal Revenue Service in accordance with Federal law.

Date \_\_\_\_\_ National Park Service Authorized Signature \_\_\_\_\_  
 NPS comments attached

**HISTORIC PRESERVATION CERTIFICATION APPLICATION  
PART 3 – REQUEST FOR CERTIFICATION OF COMPLETED WORK**

Property name \_\_\_\_\_ NPS Project Number \_\_\_\_\_  
Property address \_\_\_\_\_

**Additional Owners** Continue on additional sheets as needed to list all owners.

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_



**HISTORIC PRESERVATION CERTIFICATION APPLICATION  
 PART A – DESCRIPTION OF REHABILITATION**

Rev. 1/1/16

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>	Describe work and impact on existing feature:
Approximate date of feature _____		Describe existing feature and its condition:
Describe existing feature and its condition:		

NUMBER 2	Architectural feature <u>Masonry</u>	Describe work and impact on existing feature:
Approximate date of feature _____		Describe existing feature and its condition:
Describe existing feature and its condition:		

NUMBER 3	Architectural feature <u>Exterior Woodwork</u>	Describe work and impact on existing feature:
Approximate date of feature _____		Describe existing feature and its condition:
Describe existing feature and its condition:		

NUMBER 4	Architectural feature <u>Porch(es)</u>	Describe work and impact on existing feature:
Approximate date of feature _____		Describe existing feature and its condition:
Describe existing feature and its condition:		

NUMBER 5	Architectural feature <u>Windows</u>	Describe work and impact on existing feature:
Approximate date of feature _____		Describe existing feature and its condition:
Describe existing feature and its condition:		



HPO Use Only  
 Project No.: \_\_\_\_\_

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

Rev. 1/1/16

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 (HPO).

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 \_\_\_\_\_



HPO Use Only  
 Project No.: \_\_\_\_\_

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

Rev. 1/1/16

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 \_\_\_\_\_



**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

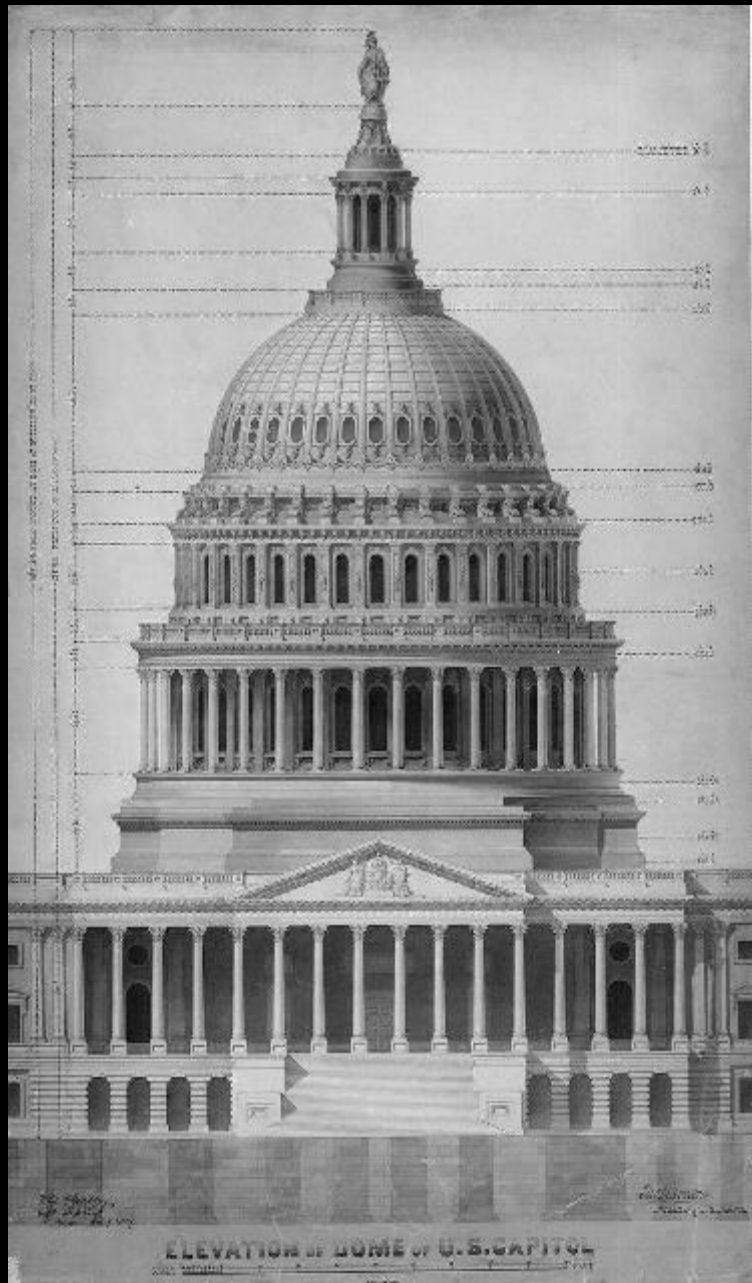
OR Description of physical appearance, Statement of significance, and Historic district map

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):



[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](#)



# Illustrated Guidelines *for* **Rehabilitating Historic Buildings**



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



## 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)



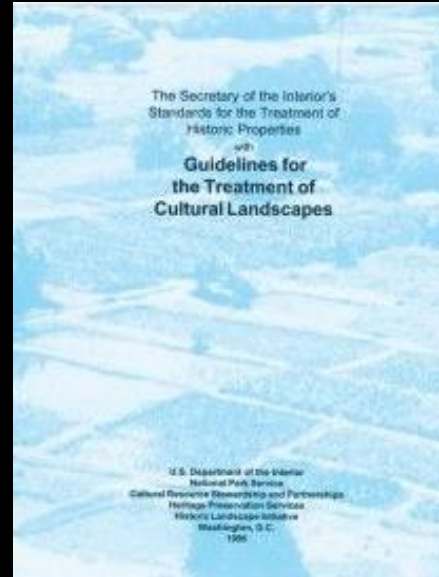
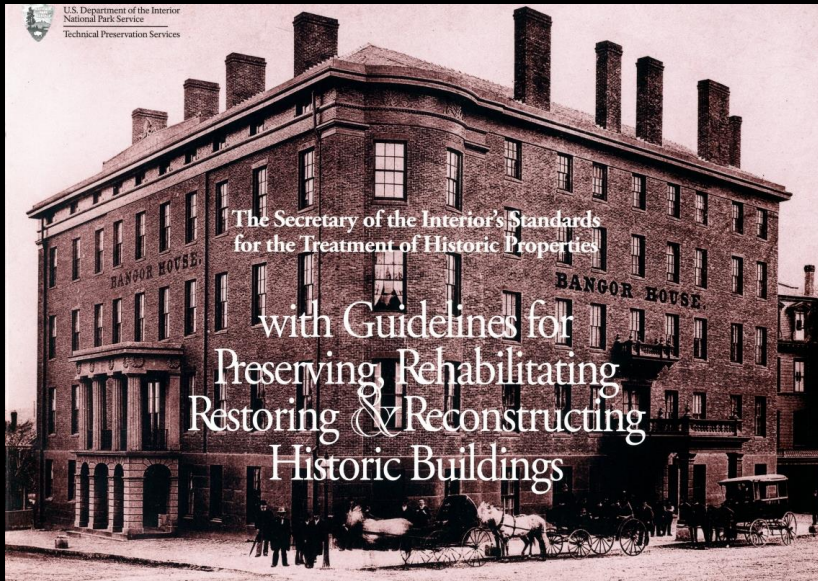
THE SECRETARY  
OF THE INTERIOR'S  
STANDARDS FOR  
REHABILITATION &

ILLUSTRATED  
GUIDELINES ON  
**SUSTAINABILITY**  
FOR  
REHABILITATING  
HISTORIC  
BUILDINGS



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

# The Secretary of the Interior's Treatments of Historic Properties and The Secretary of the Interior's Standards for Rehabilitation



## Historic Rehabilitation Tax Credits

Hope Mills, March 4, 2020

Jeff Adolphsen, Senior Restoration Specialist, North Carolina State Historic Preservation Office, [jeff.adolphsen@ncdcr.gov](mailto:jeff.adolphsen@ncdcr.gov), 919-814-6572

<https://www.ncdcr.gov/about/history/division-historical-resources/nc-state-historic-preservation-office>



Prince Charles Hotel



Bow Street Warehouses



Rainbow Restaurant & Hotel,  
Cameo Theater, and  
Brady's Soda Shop



Culbreth Warehouse



Capitol Department Store

# Historic Rehabilitation Tax Credits

Hope Mills, March 4, 2020

Jeff Adolphsen, Senior Restoration Specialist, North Carolina State Historic Preservation Office, [jeff.adolphsen@ncdcr.gov](mailto:jeff.adolphsen@ncdcr.gov), 919-814-6572

<https://www.ncdcr.gov/about/history/division-historical-resources/nc-state-historic-preservation-office>

# Historic Rehabilitation Tax Credit Programs

1. Federal Income-Producing;
2. State Income-Producing; and
3. State Non-Income-Producing or Homeowners

# 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

# Federal Income-Producing Historic Rehabilitation Tax Credits

The federal historic rehabilitation tax credit program began in 1976.

The latest changes were signed into law on December 22, 2017.

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;



Hope Mills Historic District

CD0141 HOPE MILLS HISTORIC DISTRICT 1985

CUMBERLAND

## Hope Mills Historic District

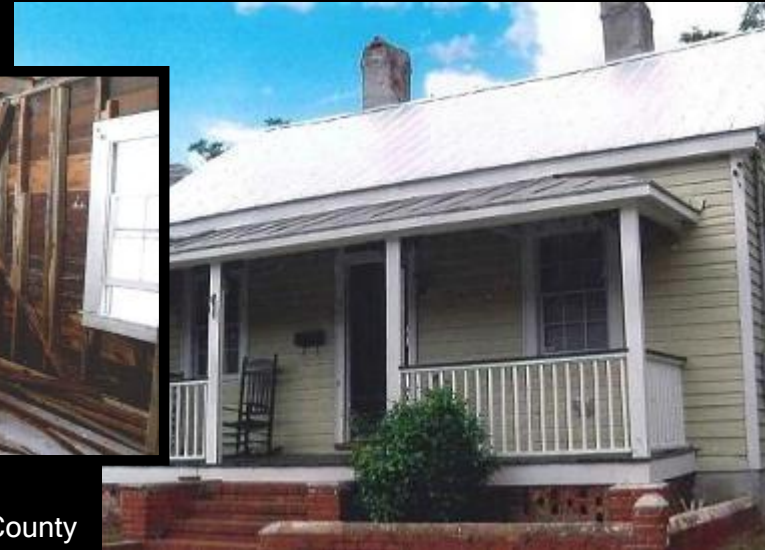
1 Income-producing rehabilitation tax credit project.  
Hope Mills Bank, 3700 S Main St  
Completed in 1984.  
Total investment: \$70,000 or approximately \$175,000 when adjusted for inflation.



# Federal Income-Producing Historic Rehabilitation Tax Credits



Sewell Duguid House  
Wilmington, New Hanover County



Past projects include residential...



Glencoe Mill Village  
Burlington, Alamance County



Red Hill Plantation  
Granville County



**Edenton Cotton Mill**  
Edenton, Chowan County



2011/02/12



**Main Street**  
Durham, Durham County



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



**Austin Building**  
Smithfield, Johnston County

**Coon School**  
Wilson, Wilson County



Before



Lowder Hardware Building  
Albemarle, Stanly County

After



After

commercial projects...

Before



After



Bear-Munson Building  
Wilmington, New Hanover County



Before

Blount-Harvey Building  
Greenville, Pitt County

Before



After



Imperial Tobacco Warehouse  
Rocky Mount, Nash County



industrial complexes, and...



Garage - Isenhour House  
Sanford, Lee County



Barn - Shelton Plantation  
Chowan County



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

# 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

- The credit must be taken over a five-year period.
- 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 retain ownership of the building for five years after placing the project in service.

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

# State Income-Producing Historic Rehabilitation Tax Credits

- The extension of the tax credits for the rehabilitation of North Carolina's historic buildings is outlined in G.S. 105-129.110. Governor Cooper signed the bill on November 1, 2019.
- The sunset was extended to January 1, 2024. Qualified rehabilitation expenditures and rehabilitation expenses must be incurred before January 1, 2024.
- Qualified rehabilitation expenditures and rehabilitation expenses incurred prior to January 1, 2024 expire for property not placed in service by January 1, 2032.
- Placed in service - Generally means that work has been completed, which allows for the occupancy of the entire building or some identifiable portion of the building.
- This current 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.

# State Income-Producing Historic Rehabilitation Tax Credits

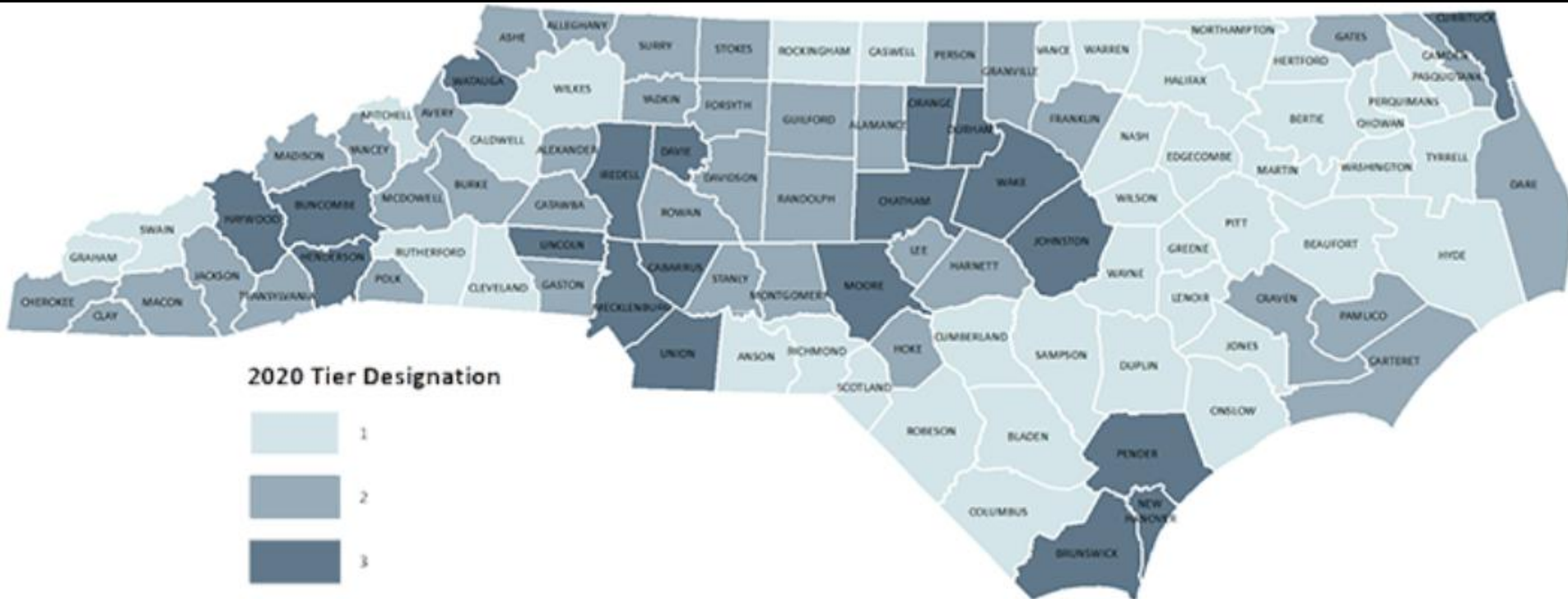
- The state tax credit piggybacks onto the Federal Historic Rehabilitation Tax Credit.
- 15% state tax credit up to \$10M of QREs ( \$1.5M).
- 10% state tax credit of QREs between \$10M to \$20M (\$1M).
- No state credit above \$20M.

# 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: Cumberland County is a Tier 1 county, and thus is 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.

# 2020 County Tier Designations

## NC Department of Commerce



# 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 the year the building is placed in service.
- The state credit may be taken in one year, 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.

# 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%

# Federal/State Income-Producing Historic Rehabilitation Tax Credits

## Summary

# 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

# 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 taken in one year.
- The credit may be carried forward 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/State Income-Producing and State Non-Income-Producing Historic Rehabilitation Tax Credits

## Applications

- 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



UNITED STATES DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE  
**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 1 – EVALUATION OF SIGNIFICANCE**

OMB Approved  
No. 1024-0009  
Form 10-168  
Rev. 2014

NPS Project Number \_\_\_\_\_

**Instructions:** This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in 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 takes precedence. A copy of this form will be provided to the Internal Revenue Service.

**1. Property Name** \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name of Historic District \_\_\_\_\_

- National Register district     certified state or local district     potential district

**2. Nature of request (check only one box)**  
 certification that the building contributes to the significance of the above-named historic district or National Register property for rehabilitation purposes.  
 certification that the building contributes to the significance of the above-named historic district for a charitable contribution for conservation purposes.  
 certification that the building does not contribute to the significance of the above-named district.  
 preliminary determination for individual listing in the National Register.  
 preliminary determination that a building located within a potential historic district contributes to the significance of the district.  
 preliminary determination that a building outside the period or area of significance contributes to the significance of the district.

**3. Project Contact (if different from applicant)**  
Name \_\_\_\_\_ Company \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**4. Applicant**  
I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable] (1)  I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or (2)  if I am not the fee simple owner of the above-described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Applicant Entity \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**NPS Official Use Only**  
The National Park Service has reviewed the Historic Preservation Certification Application – Part 1 for the above-named property and has determined that the property:

- contributes to the significance of the above-named district or National Register property and is a "certified historic structure" for rehabilitation purposes.  
 contributes to the significance of the above-named district and is a "certified historic structure" for a charitable contribution for conservation purposes.  
 does not contribute to the significance of the above-named district.

**Preliminary Determinations:**  
 appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer according to the procedures set forth in 36 CFR Part 60.  
 does not appear to meet the National Register Criteria for Evaluation and will likely not be listed in the National Register.  
 appears to contribute to the significance of a potential historic district, which will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer.  
 appears to contribute to the significance of a registered historic district if the period or area of significance as documented in the National Register nomination or district documentation on file with the NPS is expanded by the State Historic Preservation Officer.  
 does not appear to qualify as a certified historic structure.

Date \_\_\_\_\_ National Park Service Authorized Signature \_\_\_\_\_

- NPS comments attached

**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 1 – EVALUATION OF SIGNIFICANCE**

Property name \_\_\_\_\_ NPS Project Number \_\_\_\_\_

Property address \_\_\_\_\_

**5. Description of physical appearance**

Date(s) of building(s) \_\_\_\_\_ Date(s) of alteration(s) \_\_\_\_\_

Has building been moved?  no  yes, specify date \_\_\_\_\_

**6. Statement of significance**

**7. Photographs and maps.** Send photographs and map with application.



UNITED STATES DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE  
**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 2 – DESCRIPTION OF REHABILITATION**

OMB Approved  
No. 1024-0009  
Form 10-168  
Rev. 2014

NPS Project Number \_\_\_\_\_

**Instructions:** This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in 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 takes precedence. A copy of this form will be provided to the Internal Revenue Service.

**1. Property Name** \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Name of Historic District \_\_\_\_\_

- Listed individually in the National Register of Historic Places; date of listing \_\_\_\_\_
- Located in a Registered Historic District; name of district \_\_\_\_\_
- Part 1 – Evaluation of Significance submitted? Date submitted \_\_\_\_\_ Date of certification \_\_\_\_\_

**2. Project Data**  
Date of building \_\_\_\_\_ Estimated rehabilitation costs (QRE) \_\_\_\_\_  
Number of buildings in project \_\_\_\_\_ Floor area before / after rehabilitation \_\_\_\_\_ / \_\_\_\_\_ sq ft  
Start date (estimated) \_\_\_\_\_ Use(s) before / after rehabilitation \_\_\_\_\_ / \_\_\_\_\_  
Completion date (estimated) \_\_\_\_\_ Number of housing units before / after rehabilitation \_\_\_\_\_ / \_\_\_\_\_  
Number of phases in project \_\_\_\_\_ Number of low-moderate income housing units before / after rehabilitation \_\_\_\_\_ / \_\_\_\_\_

**3. Project Contact (if different from applicant)**  
Name \_\_\_\_\_ Company \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**4. Applicant**  
I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable] (1)  I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or (2)  if I am not the fee simple owner of the above-described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Applicant Entity \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_  
 Applicant, SSN, or TIN has changed since previously submitted application.

**NPS Official Use Only**  
The National Park Service has reviewed the Historic Preservation Certification Application – Part 2 for the above-named property and has determined that:

- the rehabilitation described herein is consistent with the historic character of the property and, where applicable, with the district in which it is located and that the project meets the Secretary of the Interior's Standards for Rehabilitation. This letter is a preliminary determination only, since a formal certification of rehabilitation can be issued only to the owner of a "certified historic structure" after rehabilitation work is complete.
- the rehabilitation or proposed rehabilitation will meet the Secretary of the Interior's Standards for Rehabilitation if the attached conditions are met.
- the rehabilitation described herein 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.

Date \_\_\_\_\_ National Park Service Authorized Signature \_\_\_\_\_

NPS conditions or comments attached

**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 2 – DESCRIPTION OF REHABILITATION**

Property name \_\_\_\_\_ NPS Project Number \_\_\_\_\_

Property address \_\_\_\_\_

**5. Detailed description of rehabilitation work** Use this page to describe all work or create a comparable format with this information. Number items consecutively to describe all work, including building exterior and interior, additions, site work, landscaping, and new construction.

Number	Feature	Date of Feature

Describe existing feature and its condition

Photo numbers \_\_\_\_\_ Drawing numbers \_\_\_\_\_

Describe work and impact on feature

Number	Feature	Date of Feature

Describe existing feature and its condition

Photo numbers \_\_\_\_\_ Drawing numbers \_\_\_\_\_

Describe work and impact on feature

Add Item



**HISTORIC PRESERVATION CERTIFICATION APPLICATION  
PART 3 – REQUEST FOR CERTIFICATION OF COMPLETED WORK**

NPS Project Number \_\_\_\_\_

Instructions: This page must bear the applicant's original signature and must be dated.

**1. Property Name** \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Is property a certified historic structure?  yes  no If yes, date of NPS certification \_\_\_\_\_ OR date of National Register listing \_\_\_\_\_

**2. Project Data**  
Project start date \_\_\_\_\_ Project completed and building placed in service date \_\_\_\_\_  
Estimated rehabilitation costs (QRE) \_\_\_\_\_ Total estimated costs (QRE plus non-QRE) \_\_\_\_\_  
Number of housing units before/after rehabilitation \_\_\_\_\_ / \_\_\_\_\_ Number of low-moderate housing units before/after rehabilitation \_\_\_\_\_ / \_\_\_\_\_

**3. Project Contact** (if different from applicant)  
Name \_\_\_\_\_ Company \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**4. Applicant** List all additional owners on next page.  
I hereby attest that the information I have provided is, to the best of my knowledge, correct and that I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011). If I am not the fee simple owner of the above-described property, then I have checked the following box  to attest that the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which statement (a) either is attached to this application form and incorporated herein, or has been previously submitted, and (b) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Applicant Entity \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Zip \_\_\_\_\_ Telephone \_\_\_\_\_ Email Address \_\_\_\_\_  
 Applicant, SSN, or TIN has changed since previously submitted application.  
 There are no additional owners within the meaning of "owner" set forth in 36 CFR § 67.2 (2011).

**NPS Official Use Only**  
The National Park Service has reviewed the Historic Preservation Certification Application – Request for Certification of Completed Work (Part 3) for this property and has determined 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 Internal Revenue Service regulations. Questions concerning specific tax consequences or interpretations of the Internal Revenue Code should be addressed to the Internal Revenue Service. Completed projects may be inspected by an authorized representative of the Secretary to determine if the work meets the Standards for Rehabilitation. The Secretary reserves the right to make inspections at any time up to five years after completion of the rehabilitation and to revoke certification, if it is determined that the rehabilitation project was not undertaken as presented by the owner in the application form and supporting documentation, or the owner, upon obtaining certification, undertook unapproved further alterations as part of the rehabilitation project inconsistent with the Secretary's Standards for Rehabilitation.  
 the completed rehabilitation meets the Secretary of the Interior's Standards for Rehabilitation. However, because this property is not yet a "certified historic structure," the rehabilitation cannot be designated a "certified rehabilitation" eligible for Federal tax credits at this time. It will become a "certified historic structure" on the date it or the historic district in which it is located is listed in the National Register of Historic Places. On that date, the completed rehabilitation will automatically become a "certified rehabilitation." It is the owner's responsibility to obtain such listing through the State Historic Preservation Office. Questions concerning specific tax consequences or interpretations of the Internal Revenue Code should be addressed to the Internal Revenue Service. Completed projects may be inspected by an authorized representative of the Secretary to determine if the work meets the Standards for Rehabilitation. The Secretary reserves the right to make inspections at any time up to five years after completion of the rehabilitation and to revoke certification, if it is determined that the rehabilitation project was not undertaken as presented by the owner in the application form and supporting documentation, or the owner, upon obtaining certification, undertook unapproved further alterations as part of the rehabilitation project inconsistent with the Secretary's Standards for Rehabilitation.  
 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.

A copy of this determination will be provided to the Internal Revenue Service in accordance with Federal law.  
Date \_\_\_\_\_ National Park Service Authorized Signature \_\_\_\_\_  
 NPS comments attached

**HISTORIC PRESERVATION CERTIFICATION APPLICATION  
PART 3 – REQUEST FOR CERTIFICATION OF COMPLETED WORK**

Property name \_\_\_\_\_ NPS Project Number \_\_\_\_\_  
Property address \_\_\_\_\_

**Additional Owners** Continue on additional sheets as needed to list all owners.

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name \_\_\_\_\_ SSN \_\_\_\_\_ or TIN \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Federal/State Income-Producing  
and State Non-Income-Producing  
Historic Rehabilitation Tax Credits**

**Miscellaneous**

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

## Certified Rehabilitation

- Is a rehabilitation of a certified historic structure that is approved by the National Park Service where all work meets 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 must be taken over a five-year period.
- Federal historic tax credit may be carried back one year and forward 20 years.
- State historic tax credit may be taken in one year.
- State historic tax credit may be carried forward an additional 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	Min of 5 years 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

# Economics of Historic Preservation

# The Economic Impact of the Rehabilitation Tax Credits in North Carolina



Culbreth Warehouse  
Fayetteville, Cumberland County



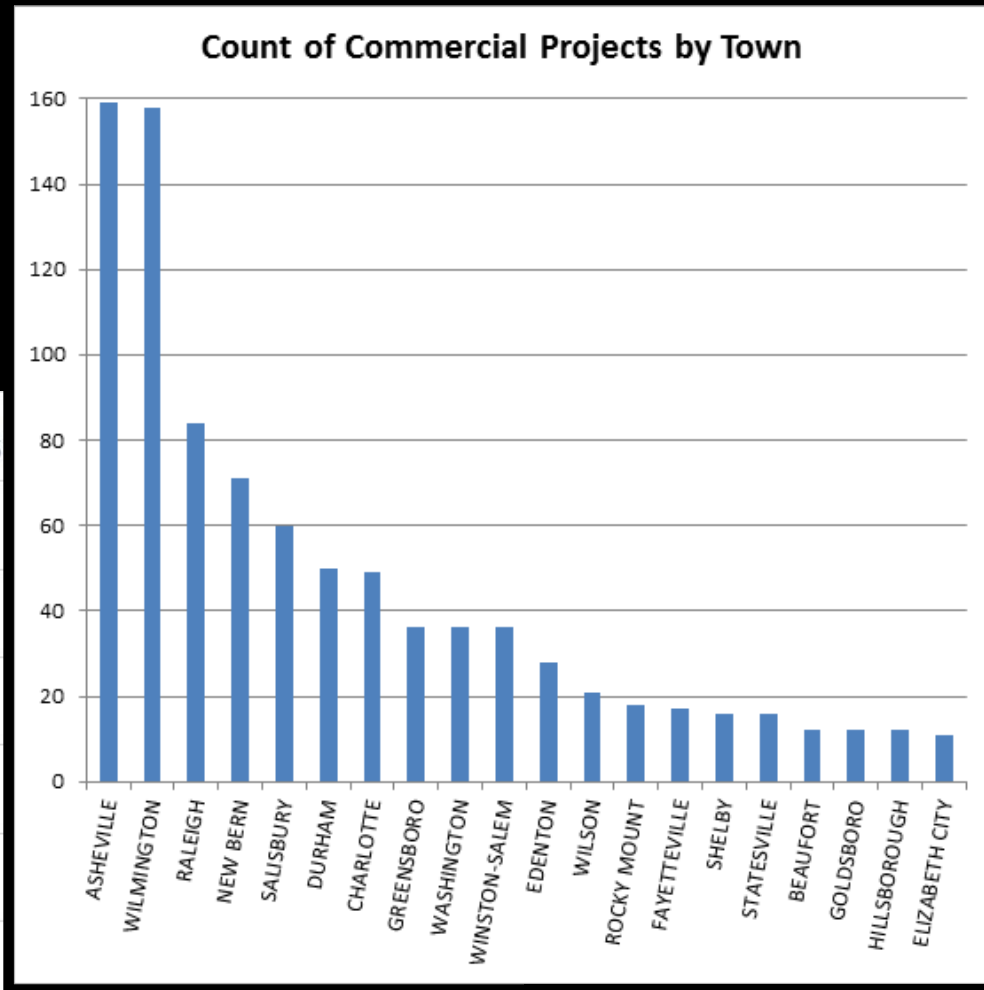
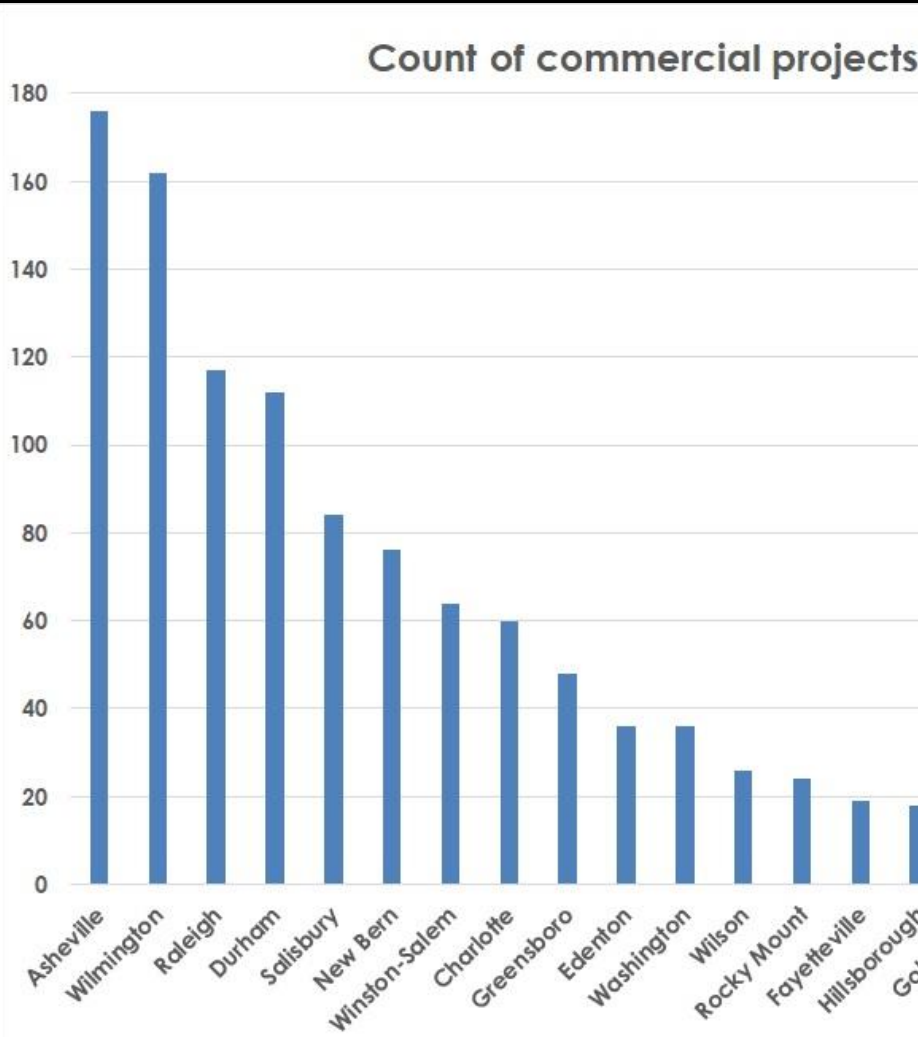
Rainbo Restaurant and Hotel, Cameo Theater,  
and Rude Awakening Coffee Shop  
Fayetteville, Cumberland County

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/50%)	669 (41%)	\$ 282M (10%)	\$ 616M (18%)
1998-2019 (Federal & State Credit 22 years/50%)	960 (59%)	\$2,416M (90%)	\$2,821M (82%)
1976-2017 (43 years/100%)	1,629 (100%)	\$2,698M (100%)	\$3,437M (100%)

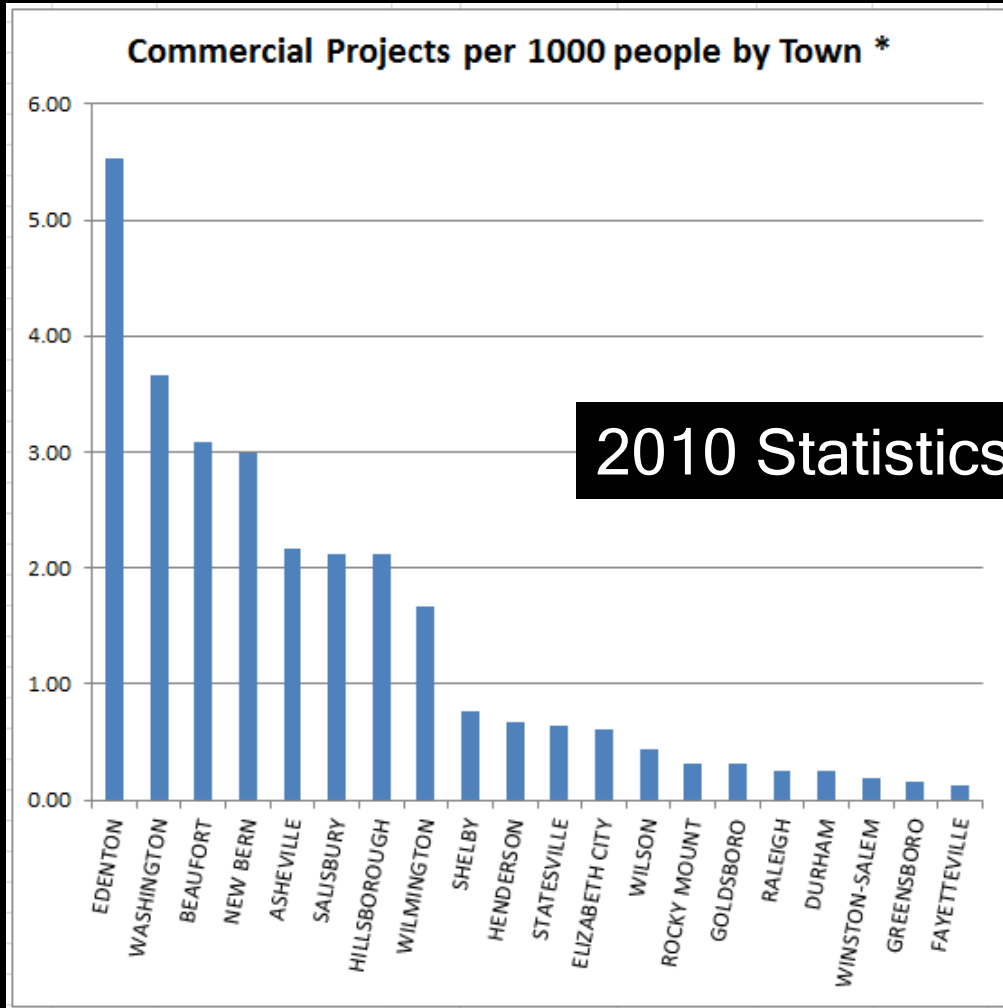
# The Economic Impact of the Rehabilitation Tax Credits in North Carolina



2010 Statistical Chart

2019 Statistical Chart

# The Economic Impact of the Rehabilitation Tax Credits in North Carolina



## 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

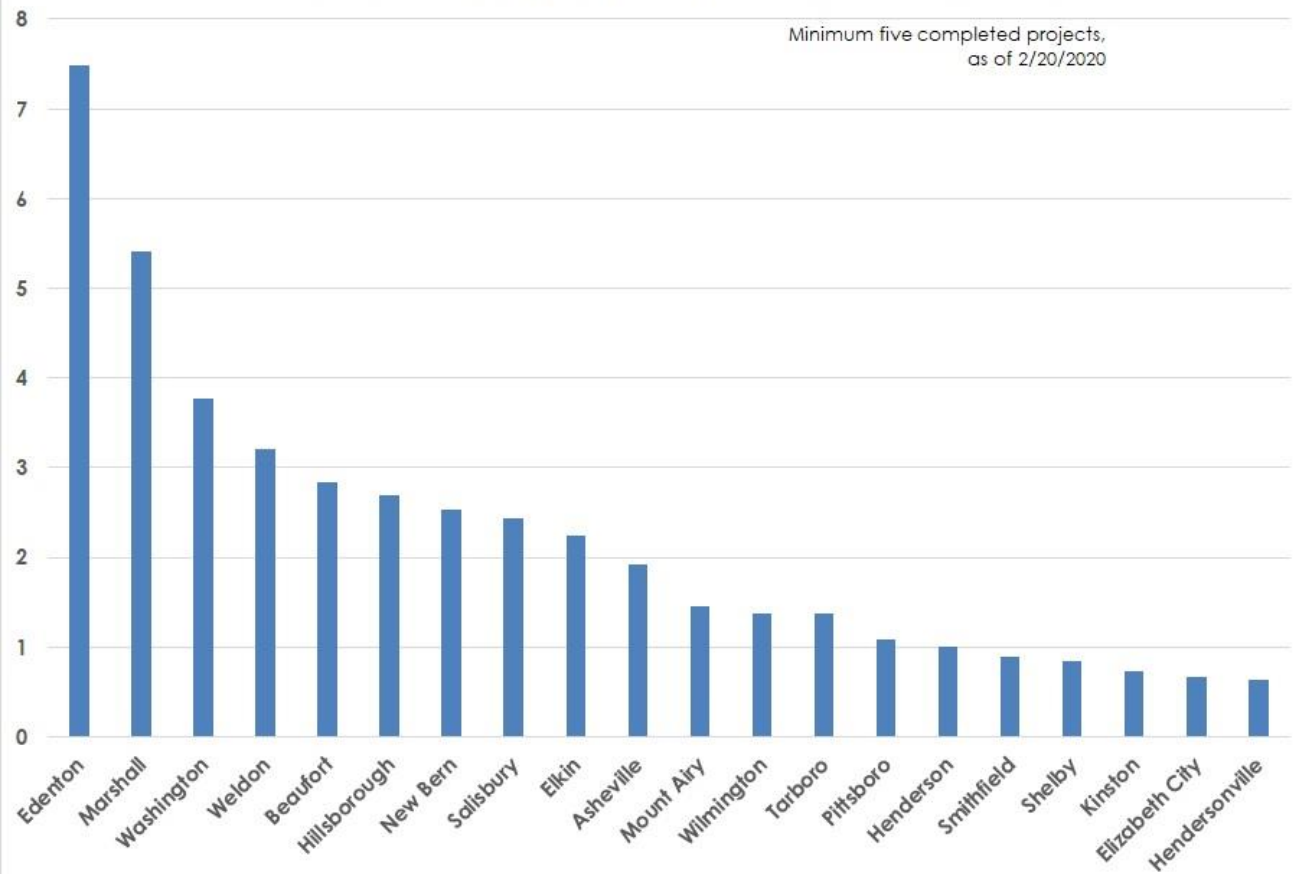
City - Not a Main Street Community because population > 50,000

# The Economic Impact of the Rehabilitation Tax Credits in North Carolina

Minimum of five certified rehabilitation projects

Commercial projects per 1000 residents by town

Minimum five completed projects,  
as of 2/20/2020



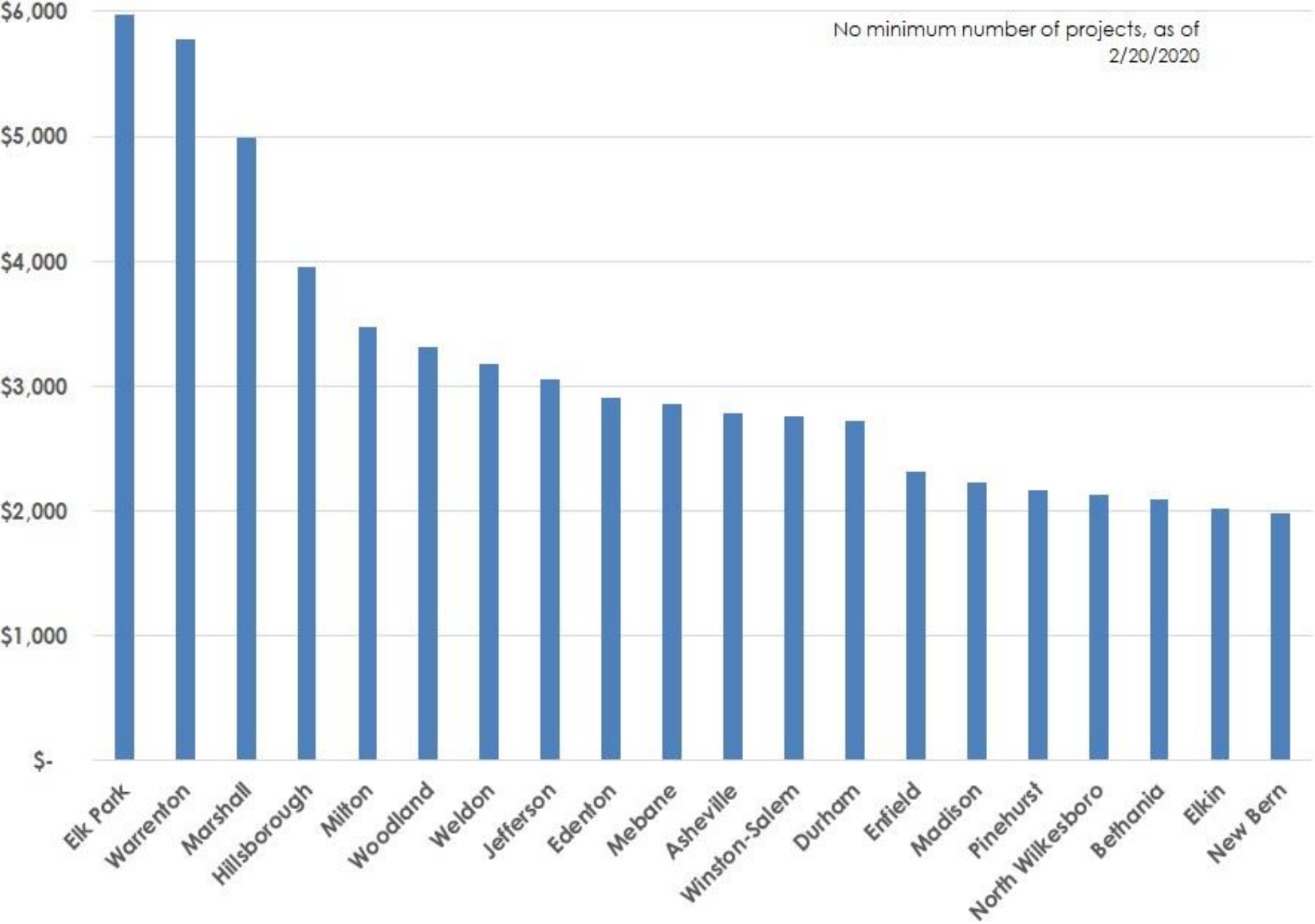
## North Carolina City and Town Population by Rank

<u>City</u>	<u>Rank</u>
Edenton	132
Marshall	351
Washington	85
Weldon	270
Beaufort	159
Hillsborough	115
New Bern	29
Salisbury	24
Elkin	160
Asheville	11
Mt. Airy	79
Wilmington	8
Tarboro	73
Pittsboro	167
Henderson	58
Smithfield	76
Shelby	43
Kinston	40
Elizabeth City	46
Hendersonville	65

City – Main Street Community  
 City – Not a Main Street Community

# Commercial project investment amount per every resident

No minimum number of projects, as of 2/20/2020



# Historic Preservation Certification Applications



Prince Charles Hotel



Bow Street Warehouses



Rainbow Restaurant & Hotel,  
Cameo Theater, and  
Brady's Soda Shop



Culbreth Warehouse



Capitol Department Store

# Historic Rehabilitation Tax Credits

Hope Mills, March 4, 2020

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<https://www.ncdcr.gov/about/history/division-historical-resources/nc-state-historic-preservation-office>