

Historic Preservation Tax Credits



Objectives

- Understanding of the requirements and standards needed to apply for the State Historic Preservation Tax Credit (HPTC/Preservation Credit)
 - Who qualifies for the HPTC
 - What are some pros and cons to the program
 - What is the process and tips/tricks to applying
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Where to start?

- Identify historic sites or areas of older buildings
 - Have a survey completed
 - Reach out to State Historic Preservation Office (or me)
 - Certified Local Government program
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State Level Tax Credits: Commercial

State Historic Preservation Tax Credits (HPTC)

- Who qualifies?
 - Designated properties
 - Private Owners
 - Non-Profits
 - Long-Term Leases
 - 5 for rural/40 for urban
- Qualified Expenses
 - Commercial
 - 25-35% commercial
 - \$10 million
 - Cap of \$1 million
 - Keep or sell credits
 - 10 years to use the credits



State Level Tax Credits: Residential

State Historic Preservation Tax Credits (HPTC)

- Who qualifies?
 - Designated properties
 - Private Owners
 - Primary Residence (1st, 2nd, etc.)
- Qualified Expenses
 - Residential
 - 20-35%
 - Cap of \$50,000
 - 10 years to use the credits



Basics

- All work *MUST* meet the Secretary of the Interior's Standards for Rehabilitation
 - The Standards pertain to historic buildings of all materials, construction types, sizes, and occupancy including exterior and interior
 - As well as landscape and new construction or adjacent
 - Rehabilitation is the ability to meet a new need or add to a historic property to meet continuing or changing uses while retaining the property's historic character
 - Things to consider: Identify the Period of Significance; What makes the site special; Does the work retain key elements; Does the new construction complement the existing
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So...what qualifies?

- Exterior: Masonry, windows, roof, foundation, restoring lost features
 - Interior: Build outs, historic finishes (trim, plaster), mechanical, electrical, plumbing, flooring

 - TIPS!
 - Could your grandparents/great grandparents recognize the building?
 - If you shake the building what falls out most likely doesn't count (tax credits)
 - Talk to staff EARLY; our guidelines don't always align with design review boards
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Application Process: Commercial

- State Historic Preservation Office and Office of Economic Development and International Trade
- Two Part Application
 - Part 1: Reservation (General Stats, Work Plan, Before Photos, Design Documents)
 - Part 2: Issuance (After Photos and Final Numbers)
- All Online!
- Courtesy Review



Application Process: Residential

- State Historic Preservation Office
- Two Part Application
 - Part 1: Reservation (General Stats, Work Plan, Before Photos, Design Documents)
 - Part 2: Issuance (After Photos and Final Numbers)
- Send it to me in any form!
- Courtesy Review



Pros and Cons

- Meant to be a Pro
 - Program created to fill the gap to do the work right
 - Aligns with the Federal Historic Tax Credit (National Register and Commercial ONLY)
 - Double dip and leverage programs
 - Available to projects that are locally landmarked under the Certified Local Government
 - Extra credit boost to rural communities
 - HC Marketing and Communications support
 - SELLING THE CREDITS! (Commercial ONLY)
- Cons
 - Work must meet the Secretary of the Interior Standards for rehabilitation
 - Municipalities and Government Agencies can't apply



Federal Level Tax Credits

- Federal Preservation Tax Credits
 - Unlimited Funding
 - 20%
 - Must be individually or contributing to National Register
 - Best suited for private owners (LLC or Partnerships)
 - Leveraging Funding
 - If meet all requirements, a project can apply for both State and Federal Credits along with SHF grants
 - Work out a “realistic” timeline
 - Be open to flexibility
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Program Changes (HB24-1314)

- Age requirement: 50 years → 30 years
- 12 month lookback period
- Completed Projects 🚫
- Commercial
 - Housing component 50/50 of the building
 - Additional 5% bump with affordable housing
- Residential
 - \$50,000 → \$100,000 (Credits issued in 2025)
 - Refundable starting 2027



BIG GOALS!!!

- Active Upper Floors
- Social Impact
- Economic Impact
- Affordable Housing
- Hit every county!



How to Speak with your community

- Identify who might be needing work
 - Roof, adaptive reuse, energy efficiency, outdated mechanical systems
- Got a vacant building or a place that could use a facelift?
 - Want to restore missing features, looking to bring in new business
- Emphasize the minimum amount
 - \$5,000 for residential; \$20,000 for commercial
- Invest in the community
 - Hire local, buy local, sell the credits
- Myth about oversight and what you can or cannot do
 - Must meet the Standards, local guidelines versus State Office
- We are here to help!



Continue the Conversation

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Case Study 1: Residential

- Two Phases: Two facades per an application
 - Fall 2022; Fall 2023
- Past work completed
- Stucco phases= \$25,511



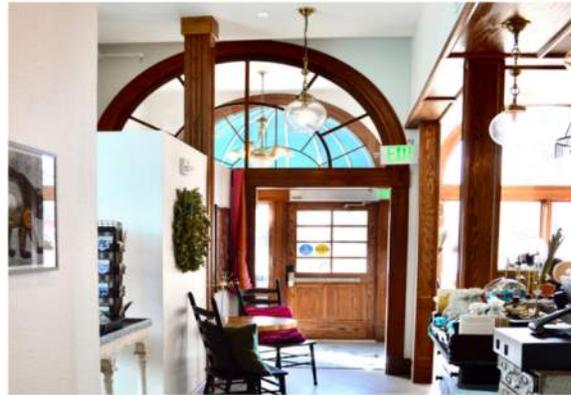
Case Study 2: Residential

- Locally landmarked
- Conversion from church to Residential triggered:
 - Insulation
 - Energy Efficiency Requirements
- Stacked incentives
- Retained character-defining spaces



Case Study 3: Commercial

- Old City Hall of Colorado City
- Conversion to an entrepreneur spaces
- Retention of historic materials
- \$370,170 State Credits; \$244,780 Federal Credits





Historic Designation

Lindsey Flewelling
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Objectives

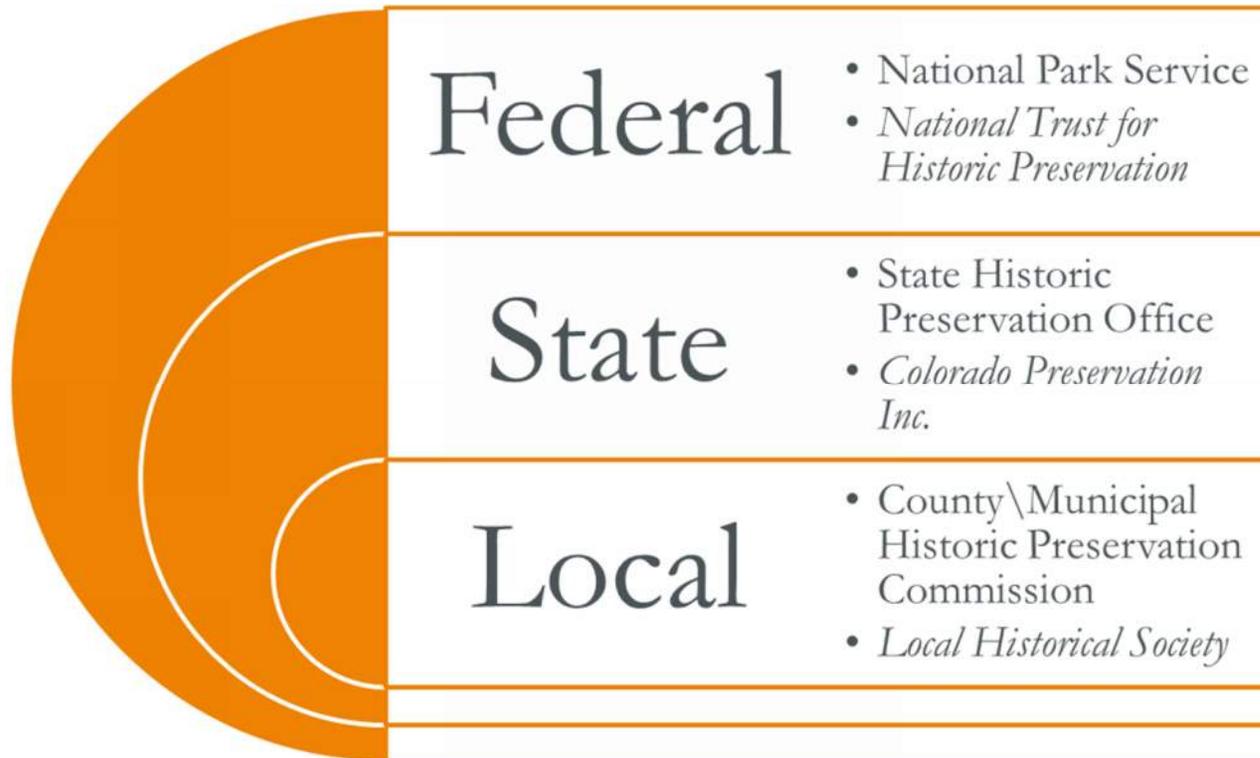
- Understanding historic designation at the national, state, and local levels
- Understanding how to qualify for incentives such as tax credits



National Historic Preservation Act, 1966

- Set a national policy for preserving our heritage
- Created a partnership program between the Federal Government and the States and Tribes
- Established the National Register of Historic Places and the National Historic Landmarks programs
- Defined a process of review of Federal projects
- Amended in 1980 to add local partnership through the Certified Local Governments (CLG) program

National Historic Preservation Act, 1966



Designation

- National Register of Historic Places
- State Register of Historic Properties
- Local Designation
- Eligibility based on significance and integrity
- Local criteria are established in ordinance



Designation

National/State Register Designation

- No restrictions imposed by History Colorado or National Park Service as a result of listing
- Private property owners may alter or demolish a National or State Register-listed property subject only to applicable local government regulations and permitting

Local Designation

- Offers protections for historic properties
- Design Review process for alterations, relocation, and demolition



What can be listed?

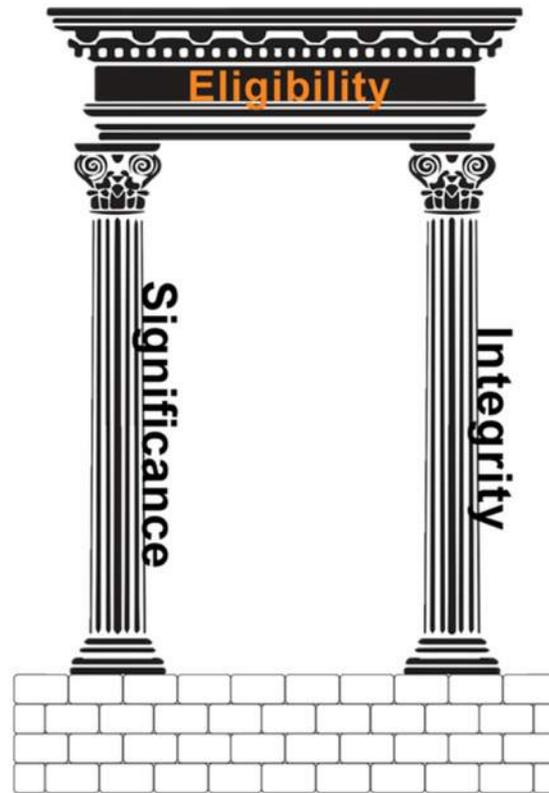


- Buildings
- Sites
- Structures
- Objects
- Districts



Designation

Context
Criteria
Area(s) of Significance
Period(s) of Significance



Location
Setting
Design
Materials
Workmanship
Association
Feeling

“Integrity is the ability of a property to convey its significance... The evaluation of integrity is sometimes a subjective judgment, but it must always be grounded in an understanding of a property’s physical features and how they relate to its significance.” – NR Bulletin

National and State Register Criteria of Significance

- A** - Singular events or patterns of events in history
- B** - Places associated with important people
- C** - Architectural style; work of a master; property type
- D** - Archaeology; Potential to yield information

State Register:

Geography or Geographic Location

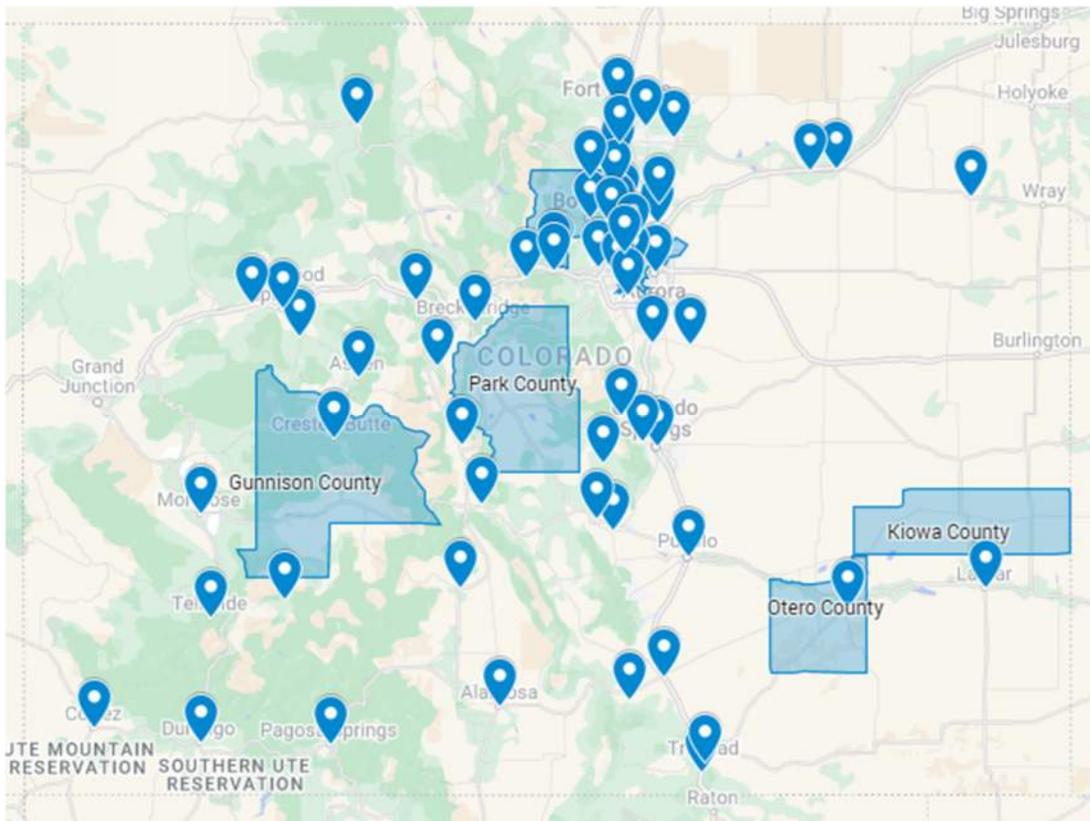
National and State Register Nomination Process



National and State Register Nomination Process



Certified Local Governments



- Local government partnership agreement with the State Historic Preservation Office (SHPO) and National Park Service (NPS)
- 67 CLGs in Colorado
- 2,100 CLGs nationwide
- Benefits include access to Certified Local Government grants and National Park Service grants, tax credits for locally landmarked properties, and support from the State Historic Preservation Office

Elements of Local Preservation Programs

- Historic Preservation Ordinance
- Survey
- Designation
- Design Review
- Incentives
- Advocacy & Public Education



Local Designation

Colorado Springs

- CLG since 1994
- Historic Preservation Board meets on the first Monday of every month
- Historic properties are designated under historic preservation overlay zoning
- Historic Preservation Board makes recommendations to City Council on structures and areas for historic preservation zoning
- Design guidelines developed to help guide rehabilitation projects in different areas of the city



Local Designation

Colorado Springs – Criteria

1. Historical Importance

- a. Significant character, interest, or value, as part of the development, heritage or cultural characteristics of the city, state, or nation
- b. Site of a historic event with significant effect on society
- c. Identified with person or group who had significant influence
- d. Exemplifies the cultural, political, economic, social, or historic heritage of the community

2. Architectural Importance

- a. Portrays the environment of a group of people in an era of history characterized by a historically important and distinctive architectural style
- b. Embodies architecturally distinguishing characteristics
- c. Is the work of an architect or builder whose individual work has influenced the development of the City
- d. Contains elements of architectural design, detail, materials, or craftsmanship that represent a significant innovation
- e. Contains buildings that collectively display distinguishing characteristics.

Colorado Heritage for All

- Part of the American 250/Colorado 150 celebrations in 2026
- Goal is to identify 150 sites associated with underrepresented communities to list on the State or National Registers by the end of 2026
- Currently less than 3% of sites on the State Register represent the stories of Colorado's Black, Indigenous, Latino, Chicano, Asian American, and LGBTQ+ communities



Resources

<https://www.historycolorado.org/certified-local-governments>

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