



DELAWARE DEPARTMENT OF STATE
STATE HISTORIC PRESERVATION OFFICE

**HISTORIC PRESERVATION TAX CREDIT PROGRAM
APPLICATION INSTRUCTIONS**

The following are instructions for completing the *State of Delaware, Historic Preservation Tax Credit Application* (Application). This Application is the basis for the State Historic Preservation Officer (SHPO) to make determinations under Delaware's Historic Preservation Tax Credit Program (Program). The Application has four parts: *Part 1* is the *Certification of Historic Property* (Part 1 Application), *Part 2* is the *Certification of Rehabilitation* (Part 2 Application), *Part 3* is the *Request for Certificate of Completion* (Part 3 Application), and the fourth part is the *Request for Credit Award*. In the event of any discrepancy between the Application and other supplementary material submitted with it (such as architectural plans and drawings), the Application will take precedence. Continuation/Amendment Sheets or blank sheets of paper, as needed, can be used to provide information concerning special considerations, to continue sections of the Application for which additional space is needed, or to amend an Application that has already been submitted. The Application is available from the Delaware State Historic Preservation Office (DE SHPO) and on the DE SHPO web site at: <http://www.state.de.us/shpo/services/TaxCreditProgram.shtml>. Photographs, architectural plans, drawings and other materials submitted with any part of the Application become the property of the DE SHPO and may be reproduced by it without permission. For all Applications, please type or print clearly in black ink. Applications may be submitted at any time by hand, mail, or an express delivery service to: Tax Credit Program Application, Delaware State Historic Preservation Office, 21 The Green, Suite A, Dover, DE 19901, 302-739-5685.

Applicants are welcome to contact DE SHPO staff for assistance in understanding Program requirements, completing their Application, interpreting the Standards, or regarding the status of the review process for their Application. Complete, adequately documented Applications will be reviewed by DE SHPO staff within thirty (30) days of receipt. This review period will run concurrently for Part 1 and Part 2 Applications if they are submitted simultaneously. The review of the Part 3 Application will take longer because it must be submitted to the Division of Revenue for computation of the Credit Award after the DE SHPO review is completed. It is important to carefully read and adhere to the following instructions for completing the Application as review and evaluation cannot be completed if inadequate documentation is provided. Submittal of an inadequately documented Application will result in delays as the Application will be placed on hold while the required documentation is requested. The DE SHPO will notify the applicant in writing of the additional documentation required in order to complete the review. Site visits by DE SHPO staff are always required during the review process, and can also be arranged in advance of Application submittal. In cases of fire, vandalism, or where a previous rehabilitation has created conditions in which many of the exterior features are missing or damaged, it is mandatory that a site visit take place in advance of any work being undertaken so that such conditions can be documented. To arrange site visits, contact the State Tax Credit Program Coordinator at 302-739-5685.

**HISTORIC PRESERVATION TAX CREDIT APPLICATION
PART 1 – CERTIFICATION OF HISTORIC PROPERTY**

Part 1 Application Guidance – The Part 1 Application is the basis for the SHPO to make a determination if a building or structure qualifies as a Certified Historic Property under Delaware's Program. Delaware buildings or structures individually listed in the National Register of Historic Places (National Register) are considered to be Certified Historic Properties; therefore, submission of a Part 1 Application is not required. (Verification of listing in the National Register may be obtained by contacting the National Register Coordinator at 302-739-5685.) For properties where a Federal Historic Preservation Certification Application, Part 1 – Evaluation of Significance is submitted for the same property, prior to, or at the same time as, the Delaware Part 1 Application, only the cover page of Delaware's Part 1 Application is submitted. Applications for buildings within National Register listed nominations which contain multiple buildings (e.g. mill complexes, farm complexes) are required to submit a Part 1 Application in accordance with the guidance on page 2. The following determinations will be made by the SHPO upon review of the Part 1 Application:

- that a property individually designated as an historic property under a local ordinance meets the criteria for inclusion in the National Register, and therefore qualifies as a Certified Historic Property; or
- that a building located within a National Register listed property contributes to the historic significance of that property, and therefore qualifies as a Certified Historic Property; or
- that a property located in a National Register listed historic district contributes to the historic significance of that district, and therefore qualifies as a Certified Historic Property; or
- that a property located in an historic district designated under a local ordinance contributes to the historic significance of this district which the SHPO has determined to meet the criteria for inclusion in the National Register, and therefore qualifies as a Certified Historic Property.

In no case will a Part 2 Application be reviewed until a Part 1 Application, if required, has been reviewed and acted upon. It is recommended that Parts 1 and 2 of the Application be submitted simultaneously. The owner, or project developer with permission of the owner, is to complete the Part 1 Application in accordance with the guidance and instructions below.

Certifying Historic Properties within National Register or Locally-designated Historic Districts - The documentation in the Part 1 Application must be sufficient for the SHPO to make a judgment about how the building relates to the district as a whole and to determine what particular features of the building comprise its historic character. In compiling this information it is helpful to consult the National Register nomination for the historic district, or the documentation compiled by the local government to support designation of the historic district under their local ordinance. National Register nominations may be consulted at the DE SHPO. For information on locally-designated districts in the City of Wilmington contact the City's Preservation Planner at 302-576-3107, for locally-designated districts in New Castle County, contact the County's Preservation Planner at 302-395-5458. For locally designated districts within smaller communities, contact the municipal office. In most cases, it should not be necessary for the applicant to do detailed research to describe the building and to provide a statement of significance. In addition, the following *Secretary of the Interior's Standards for Evaluating Significance within Registered Historic Districts* should be addressed:

- A building contributing to the historic significance of a district is one which by location, design, setting, materials, workmanship, feeling and association adds to the district's sense of time and place and historical development.
- Ordinarily buildings that have been built within the past 50 years shall not be considered to contribute to the significance of a district unless a strong justification concerning their historical or architectural merit is given or the historical attributes of the district are considered to be less than 50 years old.

Certifying Locally-designated Landmarks - The Part 1 Application for buildings designated as landmarks under a local designation process must contain substantially the same level of documentation as would be contained in a National Register nomination. Applications must show how the building individually meets the National Register Criteria for Evaluation (www.cr.nps.gov/nr/listing.htm). Specific information about the events, persons, architectural styles, or methods of construction that make the property significant in American history, architecture, archeology, engineering, or culture should be provided. The statement of significance should specifically identify the historic function of the property, the historic themes represented by the property, the period of time when the property played a significant role or acquired significance, and the physical qualities that enable the property to convey its historic significance. In preparing Part 1 Applications for local landmark properties, applicants may wish to consult the instructions for completing National Register nominations which is available from the DE SHPO and may also be found on the National Park Service web site at: <http://www.cr.nps.gov/nr/publications/bulletins/nrb16a/>.

Properties with Multiple Buildings – Where a National Register listed property contains multiple buildings, a Part 1 Application is required in order to determine if a building contributes to the historic significance of the National Register listed property. If several building on the property are being rehabilitated, the Part 1 Application must contain a description and a statement of significance and full photographic coverage of each building as well as a sketch map or site plan to show the relationship of the buildings within the listed property.

INSTRUCTIONS FOR COMPLETING THE PART 1 APPLICATION

1. Name of Property - If the building is known by an historic name or is called by its historic name in the district documentation then this should be indicated. For many properties in districts, there is no historic name. Provide a complete address, including street, city, county, state and zip code for the property under consideration. If the building is located within an historic district or a National Register listed property, provide the name of the district or the property and check the type of district.

2. Nature of Request - Check appropriate box.

3. Project Contact - Provide the name, organization (if applicable), complete address, daytime telephone number, and e-mail address (optional) of the person to whom inquiries regarding specifics of the Part 1 Application should be made.

4. Owner - Provide the owner's name. Sign and date the application. If the owner is a corporation or partnership, give both the name of that entity and the name of the person who signs the form. Provide the owner's organization (if applicable), Social Security or Federal Taxpayer Identification Number, complete address, daytime telephone number, and e-mail address (optional). If the property has multiple owners, similar information must be listed on a continuation sheet. Lessees with a remaining lease term of at least five (5) years may apply by attaching evidence of concurrence of the owner and a copy of the lease. Resident Curators with a life tenancy in a residential property may apply by attaching a copy of the tenancy agreement with the owner as evidence that the work is being accomplished within five (5) years of the signing of the agreement.

5. Description of Physical Appearance - Provide information about the major exterior and interior features of the building(s). Describe the building in its present condition (before rehabilitation), not as it was when first built nor as it will be after

rehabilitation. Note the architectural style, exterior construction materials (wood, brick, etc.), type of roof (flat, gable, hipped, etc.), number of stories, basic plan (rectangular, irregular, L-shaped, etc.), and distinguishing architectural features (placement and type of windows, chimneys, porches, decorative interior features or spaces). Fully describe any changes that have been made to the building since its original construction - for example, additions, porch enclosures, new storefronts, relocation of doors and windows, and alterations to the interior. Finally, discuss the way in which the building relates to others in the district or neighborhood in terms of its relationship to other buildings, its scale, materials, construction workmanship, and date.

Provide date of construction, if available, or indicate the approximate date. Give the source of the date, which may be a map, the district nomination, a building permit or other official document, or a former owner. Properties less than 50 years old are generally considered not to contribute to the significance of a district and are excluded from listing in the National Register. Properties in this category may be certified if they are shown to be integral parts of an historic district and the historical attributes of the district are less than 50 years old, or if they are exceptionally significant. Documentation for these properties must explain how the property meets these requirements.

Indicate the approximate dates of alterations, and check whether or not the building has been moved. If the building has been moved then applicant must provide additional information to support certification for a building that has been moved. Such documentation must discuss: 1) the effect of the move on the building's appearance (any proposed demolition, proposed changes in foundations, etc.); 2) the new setting and general environment of the proposed site; 3) the effect of the move on the distinctive historic and visual character of the district; 4) the method used for moving the building. Such documentation must also include photographs showing the previous and proposed environments, including sites, adjacent buildings, and streetscapes.

EXAMPLE for a building within an Historic District: This three-story, flat-roofed, unpainted brick building, rectangular in shape, was constructed in 1850. It features regularly-spaced arched windows on the second and third floors (6 openings on the east elevation have been filled in over the years, exact date unknown), 2-over-2 double-hung sash, and a prominent bracket cornice. The first floor of the facade has been altered: the existing storefront dates from ca. 1950. On the interior, the first floor is divided into two principal spaces - a large commercial space in front and a smaller office behind. The front room was modernized in the 1950's and contains no surviving historic fabric except for a simple wooden staircase running along the party wall. A pressed metal ceiling is the most prominent feature in the rear office; baseboards, paneled doors, and window and door surrounds also survive in this room. The upper floors have two rooms each, identical in configuration to the first floor; these rooms retain their original appearance, although they contain no architectural detailing of any kind (see photographs).

6. Statement of Significance - Summarize how the building contributes to the significance of the district. (See guidance on page 2 for locally-designated landmarks) This summary should relate to the significance of the district (including the district's period of significance) as identified in the National Register nomination or district documentation. This statement of significance should also relate to the *Secretary of the Interior's Standards for Evaluating Significance within Registered Historic Districts* (see page 2). Is it similar to other buildings in the district in scale, building materials, style, and period of construction? Note important figures from the past associated with the building, former uses of the property, and the name of the architect or builder, if known.

EXAMPLE for a Building within an Historic District: The district is an intact grouping of architecturally significant commercial and industrial buildings constructed between 1850 and 1915 that display a variety of styles and types of architectural ornamentation popular during this era. The district is also significant as an early manufacturing and distribution center which led to the city's growth as one of the largest cities in the state. Industrial growth in the late 19th and early 20th centuries required the construction of larger buildings and several still exist within the boundaries of the district. This modest three-story building is typical in appearance and history of the majority of the buildings in the district. It was originally built for manufacturing buttons, but was converted into a store with offices above during the 1880's when wholesaling grew as an important new activity in the district. The building is similar to its neighbors in size, scale, materials, and style.

7. Photographs and Maps - Provide good, clear photographs of the building and its surroundings taken prior to rehabilitation. They should show all elevations of the building, views of the building in its setting on the street, and representative interior spaces and features. Photographs may be black and white or color and should be 3" X 5" or 4" X 6" in size. Digital images must be printed on photographic paper. The back of each photograph should be labeled with the name and/or location of the property, the view (e.g. east side, interior of northwest second floor bedroom), the date taken and a number (ex. 1 of 30). All photos submitted with Parts 1 and 2 of the Application should be numbered sequentially and need not be duplicative. Photos should be rubber-banded or placed in an envelope; do not attach to paper. Photographs should be keyed by number to the Application narrative and to a sketch map, if appropriate. If Federal Application is being submitted then no additional photos or maps need be submitted with the State Application because the Federal Application requires two sets of all documentation. If the property is within an historic district or is one of a number of buildings within a property, provide a scaled or sketch map, as appropriate, of sufficient scale to show the exact location of the building within the district or property.

HISTORIC PRESERVATION TAX CREDIT APPLICATION PART 2 - CERTIFICATION OF REHABILITATION

Part 2 Application Guidance - In order for the SHPO to determine if the rehabilitation work is consistent with the *Secretary of the Interior's Standards for Rehabilitation and the Guidelines for Rehabilitating Historic Buildings* (Standards and Guidelines), and the historic character of the district or property in which it is located (if applicable), a Part 2 Application which describes the planned rehabilitation work must be completed. The owner, or a project developer with permission of the owner, may submit the Part 2 Application. The Part 2 Application may be used to describe proposed, ongoing, or completed rehabilitation work; however, it is strongly recommended that the Part 2 Application be submitted prior to initiating construction. Applicants who proceed with project work prior to the submission of the Part 2 Application do so at their own risk. If the rehabilitation work described in the Part 2 Application is found to be inconsistent with the historic character of the property or district or to be inconsistent with the Standards and Guidelines, it would be necessary to make modifications to the rehabilitation work in order to receive a Certification of Rehabilitation. A *Request for Credit Award* form as well as an estimated accounting of "qualified" expenditures required to complete the project with the Part 2 Application (see page 8).

Projects eligible for Federal Rehabilitation Tax Credits - For projects where a Federal Historic Preservation Certification Application, Part 2 - Description of Rehabilitation application is submitted for the same property, prior to, or at the same time as, the Delaware Part 2 Application, Delaware's Part 2 Application cover page only must be submitted. Decisions on approval of the Delaware Part 2 will be rendered within thirty (30) days of receipt; however, any project-related conditions imposed as part of the Federal review process must also be addressed in the state Application review process as well. In cases where the Delaware Part 2 Application is being submitted at a date subsequent to a decision being made on the Federal Part 2 application, the SHPO will render an opinion on the Delaware Part 2 Application immediately.

Standards and Guidelines for Rehabilitating Historic Buildings - All project reviews carried out under Delaware's Program are evaluated in accordance with the *Secretary of the Interior's Standards for Rehabilitation and the Guidelines for Rehabilitating Historic Properties* (Standards and Guidelines). These Standards are broadly worded so as to be able to guide in the rehabilitation of all historic structures, whether they are industrial complexes, warehouses, schools, commercial structures, or residences. The underlying concern expressed in the Standards and Guidelines is the preservation of significant historic materials and features of a building in the process of rehabilitation. The Standards and Guidelines apply with equal force to both interior and exterior work, and the DE SHPO reviews the entire rehabilitation project including any attached, adjacent or related new construction. The Standards and Guidelines are to be applied to rehabilitation projects in a reasonable manner, taking into consideration economic and technical feasibility. Certification of the Rehabilitation is based on whether the overall project is consistent with the Standards and Guidelines. Proposed work that does not appear to be consistent with the Standards and Guidelines will be identified during the DE SHPO review of the Part 2 Application, and advice will be given to assist property owners, architects, or builders in bringing the project into conformance with the Standards and Guidelines. Owners are not held responsible for rehabilitation work undertaken by a previous owner. The *Secretary of the Interior's Standards for Rehabilitation* are as follows:

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

Conditional Certifications of Rehabilitation - In order to assure that project will meet the Standards when the work is complete, the SHPO may place conditions on the Certification of Rehabilitation. Compliance with these conditions must be addressed at the time the Part 3 Application is submitted. The following are examples of some typical conditions which are commonly placed on projects:

- **Masonry Cleaning** - Cleaning of exterior masonry must be accomplished using the gentlest means possible without damaging the surface of the masonry. The work must be accomplished in accordance with the guidance provided in "Preservation Brief 1-The Cleaning and Waterproof Coating of Masonry Buildings." Specifications and test cleaning samples should be reviewed by the DE SHPO before proceeding with the work. Good quality overall and close-up color photographs of the masonry before and after cleaning must be submitted with the Request for Certificate of Completion (Part 3 Application).
- **Re-pointing** - Re-pointing mortar must match the color, texture, strength, joint width and joint profile of the existing historic masonry. Specifications and re-pointing samples should be reviewed and approved by the DE SHPO before proceeding with this work. Good quality overall and close-up color photographs of the masonry before and after cleaning must be submitted with the Request for Certificate of Completion (Part 3 Application).
- **Windows** - Existing windows must be repaired rather than replaced. If these windows are deteriorated beyond repair, that condition must be adequately documented. Replacement windows must match the appearance, size, design, proportion, and profiles of the existing windows.
- **Wood Siding** - Existing wood siding must be retained to the maximum extent possible. Where siding is to be removed for structural or insulation work, it must be removed as carefully as possible and re-installed after that work is complete. Replacement of siding must be done selectively, based on the condition of individual siding elements.
- **Interior Features and Finishes, Minimal Features Remaining** - Interior architectural features, consisting of [specify], must be preserved. They are virtually the only remaining historic interior features, and, as such, are critical to the building's historic character. Photographs showing the historic features preserved in place must be submitted with the Request for Certificate of Completion (Part 3 Application).
- **Furring-out or New Wall Surfaces** - Furring-out or re-surfacing interior walls may not cause damage to interior trim and must not change the historic relationship of trim and wall surface. Photographs showing the historic trim in context with the new wall surfaces must be submitted with the Request for Certificate of Completion (Part 3 Application).

Phased Projects: For income-producing projects, the phasing of project work over a period not to exceed sixty (60) months is allowed. If an applicant wishes to phase a project, the various phases and the schedule for completion of each phase must be described in writing as part of the documentation submitted with the Part 2 Application. A project completion date must be established which can only be amended in writing. The SHPO must approve the plan for project phasing at the time the Certification of Rehabilitation is issued. Written approval by the SHPO is required for any subsequent amendment to this plan.

INSTRUCTIONS FOR COMPLETING THE PART 2 APPLICATION

1. Name of Property - If the building is known by an historic name or is called by its historic name in the district documentation then this should be indicated. For many properties in districts, there is no historic name. (These names should be consistent with the names provided on Part 1 Application or on the National Register nomination.) Provide a complete address, including street, city, county, state and zip code. Indicate by checking the appropriate box whether the property is individually listed in the National Register. If so, provide the date of listing (correct date available from the DE SHPO). Indicate whether a Part 1 Application has been submitted for the property; if so, give the date it was submitted. If a Certification of Historic Property has been received, provide the date.

2. Data on Building and Rehabilitation Project - Provide date of construction, and the type of construction (e.g., masonry bearing wall, wood frame, steel framed, concrete). Provide the use(s) of the building before rehabilitation (e.g., school/vacant) and the proposed use after rehabilitation. Provide the floor area before rehabilitation and the floor area of all additions in square feet. Provide the number of housing units before rehabilitation, the number of these units that are low income as well as the number of housing units after project completion, and the number of these units that are low income. Provide the estimated start date and the estimated completion date. Indicate whether a plan for project phasing is being submitted. Attach documentation of what is included in each project phase and the project completion date.

3. Project Contact - If different from the applicant, provide the name, organization (if applicable), complete address, daytime telephone number, and e-mail address of the person to whom inquiries regarding specifics of project work should be directed.

4. Applicant - Provide the applicant's name. Sign and date the Application. If the applicant is a corporation or partnership, give both the name of that entity and the name of the person who signs the form. Provide the applicant's organization (if applicable), Social Security or Taxpayer Identification Number, complete address, daytime telephone number, and e-mail address (optional).

5. Detailed description of rehabilitation work - In the numbered blocks, provide a description of project work. Describe the entire project. Begin by describing site work, followed by work on the exterior (foundation, walls, roof, gutters/downspouts, chimneys, porches, windows, doors, other exterior trim, and, if applicable, storefront), including new construction, then rehabilitation work on the interior (floor plan changes, demolition, floors, walls, insulation, windows, doors, fireplaces, interior trim and other ornamentation), and finally any mechanical work. If additions or handicapped ramps are planned these should be addressed separately. A separate block should be used to describe each work item and its effect on architectural features or spaces. Guidance on ways in which the project work can be carried out so as to be consistent with the Standards and the type of documentation needed to fully document the work is contained in the DE SHPO *Guidance for Carrying out Project Work that is Consistent with the Standards for Rehabilitation*.

In the left block under the Description of Rehabilitation, identify the architectural feature requiring work and indicate whether the feature described is original to the building, was added at a later date, or is new construction. Give approximate date of the feature. In the appropriate space describe the physical condition. Indicate photograph or drawing numbers that show the feature described. The information should be thorough, clear and concise. For projects which are broad in scope, the applicant should address all features, even those which will not be altered. For projects of very limited scope (such as, project work limited to roof repair or replacement only), this can be noted and only this feature addressed. In the right block under the Description of Rehabilitation, explain in detail the rehabilitation work to be undertaken. Describe the effect (visual, structural, or other) on existing features. The information should be thorough, clear, and concise. Indicate drawings or photographs that show the rehabilitation work and impact on the existing building.

EXAMPLE

Number Architectural feature Brickwork
 1
 Approximate date of feature 1920

Describe existing feature and its condition:

The primary building material is red brick laid in common bond that is embellished with limestone trim. The brick survives in generally good condition with evidence of past re-pointing on each elevation. Areas of localized spalling and erosion/loss of mortar are also evident.

Photo no. 3, 6 Drawing no. _____

Describe work and impact on existing feature:

The brickwork will be gently cleaned primarily to remove surface dirt and areas of localized staining. The cleaning method to be employed will be a mild detergent cleaning with cold pressure washing not to exceed 600 psi and 4 to 5 gpm with a fan tip nozzle. If needed, a poultice with the appropriate solvent will be applied in those areas with excessive staining. In those areas where the mortar is eroded, the mortar joints will be spot pointed as needed with a matching mortar in the proportion of 1 part Portland (ASTM C-150, Type II, white non-staining). 1 part lime (ASTM C-207, Type S, hydrated) And 6 parts sand (ASTM C-144). The new mortar will match the color, Texture, composition and joint profile of the original mortar.

Number Architectural feature Main staircase
 2
 Approximate date of feature c. 1880

Describe existing feature and its condition:

Original stairs exist between the 1st and 3rd floors. Some balusters are Missing and treads are worn. Later stair from 3rd to 8th floor.

Photo no. 9, 10 Drawing no. _____

Describe work and impact on existing feature:

Replace missing balusters with matching pieces. Sand painted banisters and balusters and return to original varnished treatment. Replace treads as needed. Retain later stair as is.

Photographs - The applicant must submit a sufficient number of good, clear photographs with the Part 2 Application to document both interior and exterior conditions, including site and environment. It is mandatory that photographs of "before" conditions be submitted even if the rehabilitation is completed when the Part 2 Application is submitted. This documentation is necessary for the DE SHPO to evaluate the effect of the rehabilitation on the Certified Historic Property. Where it is not provided, review and evaluation cannot be completed, resulting in denial of the requested certification. At a minimum the photographic documentation should consist of several photographs of the site and setting, at least one photograph of each visible elevation, detailed close-up photographs of specific architectural features which will be affected by the rehabilitation work, interior photographs on all floors which include the significant interior architectural features to be affected by the rehabilitation. Photographs may be black and white or color, and should be 3" X 5" or 4" X 6" in size. Digital images can be submitted if printed on photographic paper. The back of each photograph should be labeled with the name and/or location of the property, the view (e.g. east side, interior of northwest second floor bedroom), the date taken and a number (ex. 1 of 45). All photos submitted with Parts 1 and 2 of the Application should be numbered sequentially and should not be duplicative. Photos should be rubber-banded or placed in an

envelope; do not attach to paper. Photographs should be keyed by number to the Description of Rehabilitation and to a sketch plan. On the sketch plan, for each picture taken, the number of the photograph should be inserted inside an arrow placed in the location of the photographer, and pointing in the direction of the view. If Federal Application is being submitted then no additional photos need be submitted with the State Application because the Federal Application requires two sets of all documentation. Photographs are not returnable.

Drawings or sketches – Drawings or sketches of floor plans and site plans, prepared by an architect, a builder, or the applicant, are required to show planned alterations or new construction. For new additions, elevation drawings of the proposed addition are required. All drawings and sketches submitted with the Application should be numbered and keyed to the Application narrative. They should be no larger than 11” X 17.” If Federal Application is being submitted then no additional drawings or sketches need be submitted with the State Application because the Federal Application requires two sets of all documentation.

Project Amendments – A Continuation/Amendment Sheet is used if additional space is needed to continue the Description of Rehabilitation. They are also used to provide information on changes made to a project at any time after submission of the initial Part 2 Application. On these forms, provide the name and address of the property. Check the appropriate box noting whether the form amends or continues the Part 2 Application, and provide the DE SHPO project number assigned to the project (if known). Indicate changes in project work, giving the originally proposed treatment and the amended work item description. Provide the applicant’s name, organization, if applicable, complete address, daytime telephone number, and e-mail address (optional). Sign and date the form. The SHPO will render a decision on an amendment within thirty (30) days of receipt.

HISTORIC PRESERVATION TAX CREDIT APPLICATION PART 3 - REQUEST FOR CERTIFICATE OF COMPLETION

Part 3 Application Guidance - A project, or an approved phase of a project, can not receive a Certificate of Completion until the completed project work, or the work included in the approved phase, is determined by the SHPO to be consistent with the Standards and Guidelines. The owner or developers must submit a Part 3 Application, photographs of the completed work that show the same views as shown in the "before" photographs, as well as a final accounting of “qualified expenditures” and a Division of Revenue Form 1811 AC 0702, *Computation Schedule for Claiming Delaware Historic Preservation Tax Credits* (http://www.state.de.us/revenue/services/Business_Tax/taxforms/Bus_Tx_Cr/1811AC_0702.pdf). For projects where the total of “qualified” expenditures is greater than \$100,000, a fee of \$250 paid by check to the State of Delaware must also be submitted. The Application will be reviewed to assure that adequate documentation has been received to document that the project work was carried out in accordance with the approved Part 2 Application description and any conditions attached to the Certification of Rehabilitation. A site inspection may be requested. When it has been determined that the completed rehabilitation meets all of the Program criteria, the SHPO will execute a Certificate of Completion for the project or an approved phase. The SHPO will submit this and the submitted Form 1811AC 0702 to the Division of Revenue. After the Division of Revenue computes the amount of Credits that may be claimed against tax liability, both Form 1811 AC 0702 and the Certificate of Completion will be then be forwarded to the applicant by the DE SHPO. If the SHPO determines that the completed rehabilitation, or any approved phase of the project, is not consistent with the Standards and Guidelines nor is it compatible with the historic character of the property or district in which it is located, the applicant and the Division of Revenue are informed of the SHPO decision. Any Credits which were awarded at the time the project received its Certification of Rehabilitation are forfeited. For phased projects, any Credits issued to the initial assignee or to the first taxable transferee for each phase are subject to revocations and repayment to the Division of Revenue or the Office of the State Bank Commissioner, if the project is not completed by the date agreed upon when the Certification of Rehabilitation was issued or in a subsequent approved written request, or in the event that any phase does not meet the requirements needed to receive a Certificate of Completion. Review of a fully-documented Part 3 Application by the DE SHPO will take place within thirty (30) days of receipt. Upon completion of the DE SHPO review process, the Revenue Form 1811AC 0702 is forwarded to the Division of Revenue for their review. No time limit has been set on the latter review process.

INSTRUCTIONS FOR COMPLETING THE PART 3 APPLICATION

Project Number – Fill in this number, if known.

- 1. Name of Property** - Provide the name and address of the property exactly as furnished in the Part 2 Application.
- 2. Data on Rehabilitation Project** - Provide the date on which project work began and the date on which it was completed and the building placed in service; for approved preliminary phases of a project, indicate NA. If an approved phased project, indicate the phase, and projected completion date. Provide the date on which the Part 2 Application was approved. Provide the amount of the Credit Award and the date(s) received. Provide the total “qualified” expenditures for the project. This must be supported by a full accounting of these expenditures to be attached to the Division of Revenue’s *Computation Schedule for Claiming Delaware Historic Preservation Tax Credits* (Form 1811AC 0702). The latter form must be enclosed with the Part 3 Application.

3. Applicant - Provide the name of the person or organization who is submitting the Application. Sign and date the application. If the applicant is a corporation or partnership, give both the name of that entity and the name of the person who signs the form. Provide the applicant's address, daytime telephone number, and e-mail address (optional). By their signature, the applicant certifies that in their opinion the completed rehabilitation is consistent with the *Secretary of the Interior's Standards for Rehabilitation* and is consistent with the work described in the Part 2 Application.

4. Taxpayer Claiming Credit – Provide the name of the person claiming the Credit. Sign and date the application. If the taxpayer is a corporation or partnership, give both the name of that entity and the name of the person who signs the form. Give the taxpayer's Social Security or Taxpayer Identification Number. Provide the taxpayer's address, daytime telephone number, and e-mail address (optional). On the reverse, give the names, addresses and Social Security or Taxpayer Identification Numbers of any other taxpayers who will claim Credit.

Photographs - The applicant must submit a sufficient number of good, clear photographs with Part 3 Application to document both interior and exterior conditions after rehabilitation. This documentation is necessary for the DE SHPO to evaluate the condition of the historic property upon completion of the rehabilitation work. The photographic documentation should be generally repetitive of the views which were submitted with the Part 2 Application. Photographs may be black and white or color, and should be 3" X 5" or 4" X 6" in size. Digital images can be submitted if printed on photographic paper. Attach to the back of each photograph a label with the name and/or location of the property, the view (e.g. east side, interior of northwest second floor bedroom), the date taken and a number (ex. 1 of 45). All photos submitted with the Part 3 Application should be numbered sequentially beginning again with 1. Photos should be rubber-banded or placed in an envelope; do not attach to paper. Photographs are not returnable.

HISTORIC PRESERVATION TAX CREDIT APPLICATION REQUEST FOR CREDIT AWARD

Request for Credit Award Application Guidance - The *Request for Credit Award* is to be submitted with the Part 2 Application. Attach an estimate of the "qualified" expenditures of the project with the address of the property noted at the top. This estimate must be prepared by a licensed architect, engineer, or contractor, or a certified construction cost estimator and transmitted on their letterhead or over their signature. "Qualified" expenditures are all expenditures associated with the rehabilitation **EXCEPT**:

- acquisition of real property, or acquiring an interest in real property;
- any addition to an existing structure, except where the combined square footage of all additions is twenty percent (20%) or less than the total square footage of the historic portion of the property and such addition has been determined by the SHPO in accordance with federal guidelines as: (a) preserving the character-defining features of the certified historic property, (b) adequately differentiating the new construction from the existing structure, and (c) complying with requirements regarding safety and accessibility in a manner reasonably designed to minimize any adverse impact on the historic property;
- paving or landscaping costs which exceed ten percent (10%) of the total "qualified" expenditures;
- sales and marketing costs; and
- expenditures not properly charged to a capital account, including in the case of an owner-occupied property, expenditures that would not be properly to a capital account where the owner used such property as a trade or business.

If the project involves only a portion of a building, only those "qualified" expenditures properly allocable to that portion may be included in the estimate. If the property will be only partially in owner occupied residential use after the rehabilitation, the estimate of "qualified" expenditures should separate the costs associated with this use and the percentage of the total square footage of the building in this use. Shared costs should be allocated on a percentage basis. For projects in which low income criteria applies to only a portion of the building, related costs must be differentiated in the estimate.

Computing Credit Award – Once a Certification of Rehabilitation has been issued, the Credit Award is computed as a percentage of the estimated "qualified" expenditures rounded to the nearest \$100 in accordance with the following:

- 20% if the Certified Historic Property eligible for a Federal rehabilitation tax credit under § 47 of the Internal Revenue Code (IRC).
- 30% if the Certified Historic Property is residential, meets the low income criteria in § 42 of the IRC, and is eligible for a Federal rehabilitation tax credit under § 47 of the IRC.
- 30% up to a maximum Credit Award of \$20,000 if the Certified Historic Property is owner-occupied residential, or for any other property not eligible for a Federal rehabilitation tax credit under § 47 of the IRC.
- 40% up to a maximum Credit Award of \$20,000 if the Certified Historic Property is owner-occupied residential, and therefore, not eligible for a Federal rehabilitation tax credit under § 47 of the IRC, but whose owner has an income level at or below 60% of the median gross income for the County, adjusted by family size.
- 100% up to a maximum Credit Award of \$5,000 if the Certified Historic Property is occupied by a Resident Curator for residential use, and the work is being carried out within five (5) years of executing the life tenancy agreement.

Assigning Credit Awards - Although a Certification of Rehabilitation may be issued to a project making it eligible to receive a Credit Award, assigning a Credit Award will be dependent upon the availability of funds. If no funds are available to assign a Credit Award when the Certification of Rehabilitation is issued, the date of the Certification of Rehabilitation will be used as the basis for an award when funds become available. Credit Awards are issued in accordance with the following Program guidance:

- Each July 1, beginning July 1, 2000 and continuing through July 1, 2009, \$3 million in Credit Awards becomes available for the SHPO to assign to projects who have received a Certification of Rehabilitation.
- Once the \$3 million in Credit Awards per fiscal year have been assigned, no additional Credit Awards will be assigned by the SHPO until July 1 of the next fiscal year. Partial awards may be given in order to reach the \$3 million.
- At the beginning of each fiscal year, priority is given to the project for which there were insufficient funds remaining from the previous year to fully assign all of its Credit Award and then to any other projects in the order in which they have received their Certification of Rehabilitation.
- Unused Credit Awards will be carried over into the next fiscal year and assigned first.
- Any Credit Award forfeited due to non-compliance with Program requirements will be re-assigned to eligible projects.

INSTRUCTIONS FOR COMPLETING THE REQUEST FOR CREDIT AWARD

Property Name – Fill in the name of the property as given on the Part 2 Application.

Property Address – Fill in if different from above.

Project Number – Leave blank.

1. Applicant – Provide the applicant’s name. Sign and date the Application. If the applicant is a corporation or partnership, give both the name of that entity and the name of the person who signs the form. Provide the applicant's organization (if applicable), Social Security or Taxpayer Identification Number, complete address, daytime telephone number, and e-mail address (optional).

2. Taxpayer Claiming Credit – If known, provide the name of the person who will be claiming the Credit. Sign and date the application. If the taxpayer is a corporation or partnership, give both the name of that entity and the name of the person who signs the form. Give the taxpayer's Social Security or Taxpayer Identification Number. Provide the taxpayer's address, daytime telephone number, and e-mail address (optional). If applicable, on the back of the form, give the names, addresses and Social Security or Taxpayer Identification Numbers of any other taxpayer(s) who will claim Credit.

3. Basis for Computing Credit Award - Provide an estimate of the total “qualified” expenditures as documented in the attachment. Provide the total estimate of the cost of the paving and landscaping so that it can be determined if they exceed 10% of the total “qualified” expenditures. Provide the total square footage of the Certified Historic property for which Credits will be claimed, and the combined square footage of all additions so it can be determined whether the additions exceed 20% of the Certified Historic Property. Provide the costs associated with construction of the additions. If applicable, indicate the square footage or percentage of the building which will be in owner-occupied residential use after the rehabilitation. Finally, check the applicable category into which the project falls based on the nature of the use after rehabilitation. If the category chosen indicates that low income criteria apply, then documentation in support of this must accompany the *Request for Credit Award*.

Attachments – Estimate of “qualified expenditures must be submitted on the letterhead of a licensed architect, engineer, or contractor, or a certified construction cost estimator, or submitted over their signature with the firm’s name noted. Documentation to be submitted in support of low income criteria should be discussed with DE SHPO staff.

The forms and other cited material included in these Instructions will be provided without cost by contacting the Delaware State Historic Preservation Office (DE SHPO) at 21 The Green, Suite A, Dover, DE 19901 or at 302-739-5685. These forms are also available on the DE SHPO web site at: <http://www.state.de.us/shpo/services/TaxCreditProgram.shtml>. The Standards and Guidelines are available in paper from the DE SHPO and on the National Park Service (NPS) web site at: http://www.cr.nps.gov/hps/tps/standguide/rehab/rehab_index.htm. Further guidance in the form of a series of Preservation Briefs as well as other technical publications can be found on the web at: <http://www.cr.nps.gov/hps/tps/care/sitemap.htm>.

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