

**State of California
Office of Administrative Law**

In re:
Office of Historic Preservation

Regulatory Action:

Title 14, California Code of Regulations

Adopt sections: 4859.01, 4859.02, 4859.03,
4859.04, 4859.05, 4859.06

NOTICE OF APPROVAL OF REGULATORY
ACTION

Government Code Section 11349.3

OAL Matter Number: 2024-1002-01

OAL Matter Type: Regular Resubmittal (SR)

Senate Bill 451 (Ch. 703, Stats. 2019) provided a 20% credit or 25% tax credit for qualified rehabilitation expenditures if the structure met specified criteria for rehabilitation of a certified historic structure or a qualified residence. This action adopts the procedures required for taxpayers to apply for the tax credit.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 11/13/2024.

Date: November 13, 2024



Ashita Mohandas
Attorney

For: Kenneth J. Pogue
Director

Original: Julianne Polanco, State Historic
Preservation Officer

Copy: Mark Huck

NOTICE PUBLICATION/REGULATIONS SUBMISSION

STD. 400 (REV. 10/2019)

RESUBMITTAL

For use by Secretary of State only

ENDORSED - FILED

in the office of the Secretary of State
of the State of California

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-	2024-1002-01	SR
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	

NOV 13 2024
AB 1:31 PM

AGENCY WITH RULEMAKING AUTHORITY

Office of Historic Preservation

AGENCY FILE NUMBER (If any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)		FIRST SECTION AFFECTED		2. REQUESTED PUBLICATION DATE	
State Historic Rehabilitation Tax Credit		14		4859		Earliest effective filing date	
3. NOTICE TYPE		4. AGENCY CONTACT PERSON		TELEPHONE NUMBER		FAX NUMBER (Optional)	
<input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		Mark Huck		916-503-8731			
OAL USE ONLY		ACTION ON PROPOSED NOTICE		NOTICE REGISTER NUMBER		PUBLICATION DATE	
<input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn				2023, 18-Z		5/5/23	

PER AGENCY
REQUEST
AM 11/4/24

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
Application for State Historic Rehabilitation Tax Credits	2023-1016-03S, 2024-0429-03

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
14	4859- 4859.01, 4859.02, 4859.03, 4859.04, 4859.05, 4859.06
	AMEND
	REPEAL

PER AGENCY
REQUEST
AM 11/4/24

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input checked="" type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify)	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

July 9 - July 25, 2024; March 19 - April 3, 2024; September 14 - September 30, 2023; April 18 - June 20, 2023

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

PER AGENCY
REQUEST
AM 11/4/24

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
Mark Huck	916-503-8731		Mark.Huck@parks.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE	DATE
	10/1/24
TYPED NAME AND TITLE OF SIGNATORY	
Julianne Polanco, State Historic Preservation Officer	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

NOV 13 2024

Office of Administrative Law

**State Historic Rehabilitation Tax Credit
Regulation Text**

§4859.01. State Historic Rehabilitation Tax Credit Authority and Function.

(a) Section 17053.91 and Section 23691 of the California Revenue and Taxation Code directs the Office of Historic Preservation (OHP) to adopt regulations to establish a written application to determine that applicants meet project requirements and to ensure that the rehabilitation project meets the Standards for Rehabilitation, part 67.7 of Title 36 of the Code of Federal Regulations, and establish a program to approve, or reject, all tax credit allocation applications.

(1) This program shall be known as the State Historic Rehabilitation Tax Credit (SHRTC).

(b) The OHP establishes program directions in coordination with the California Tax Allocation Committee (CTCAC).

(1) The OHP is responsible for ensuring that the proposed rehabilitation project meets the Standards for Rehabilitation and that the property is a certified historic structure that is a qualified residence or a certified historic building.

(2) The CTCAC is responsible for all procedures, legal determinations, and rules and regulations concerning tax credit allocation and compliance.

(c) Tax credits are allocated for three funding categories as interpreted in the Revenue and Tax Code 17053.91(j) and 23691(j):

(1) A certified historic structure that is a qualified residence;

(2) A certified historic building with qualified rehabilitation expenditures of less than one million dollars;

(3) A certified historic building with qualified rehabilitation expenditure of one million dollars or more.

(d) Projects completed before January 1, 2022 do not qualify to apply for the state historic rehabilitation tax credit.

(1) Federal tax credit projects completed or participating in the federal review process on or after January 1, 2022 must submit an Initial Project application with fees to receive approval from OHP and tax allocation from the CTCAC.

(2) After a tax allocation has been received, subsequently completed projects must submit the Completed Project Application with fees.

Authority: Sections 17053.91 and 23691 of the Revenue and Taxation Code; Section 5024.6, Public Resources Code.

References: Secretary of the Interior's Standards for Rehabilitation, Part 67.7 of Title 36 of the Code of Federal Regulations; Sections 17053.91 and 23691, Revenue and Taxation Code.

§4859.02. Definition of Key Terms.

As used in these regulations:

- (a) "California Register of Historical Resources" (California Register) means the California Register designed for use by state and local agencies, private groups, and citizens to identify, evaluate, register, and protect California's historical resources. The criteria for the California Register appear in California Code of Regulations, California Register of Historical Resources (Title 14, Division 3, Chapter 11.5).
- (b) California Tax Credit Allocation Committee (CTCAC) co-administers the state rehabilitation of certified historic structures and qualified residences tax credit program and allocates the state tax credits against personal income and corporation taxes.
- (c) "Certification" means the approved project application for the completed project meets the Standards for Rehabilitation as affirmed by the OHP.
- (d) "Certified Historic Structure" has the same meaning as defined in Section 47(c)(3) of the Internal Revenue Code, that is a structure in California and is listed on the California Register of Historical Resources. This means a structure that is either:
 - (1) Individually listed in the California Register; or
 - (2) Listed as a contributor to a registered historic district that is listed in the California Register.
- (e) "Certified Rehabilitation" means any completed rehabilitation of a certified historic structure or qualified residence that the OHP has affirmed to the CTCAC as being consistent with the Standards for Rehabilitation.
- (f) "Dual Project" is a project applying for both the federal and state tax credit, where federal documentation standards are also used as SHRTC submittals.
- (g) "Functionally related buildings" are those that have historically functioned together to serve an overall purpose.
- (h) "Inspection" means a visit by an authorized representative of the OHP to a certified historic structure or qualified residence for the purposes of reviewing and evaluating the significance of the property and the ongoing or completed rehabilitation work.
- (i) "National Park Service, Technical Preservation Services" (NPS TPS) means the National Park Service, Washington Area Service Office, Technical Preservation Services, Heritage Preservation Services Office.

(j) "Office of Historic Preservation" (OHP) means the California Office of Historic Preservation designated by Public Resources Code section 5024.6 to administer historic preservation programs within California.

(k) "Owner" means a person, partnership, corporation, or public agency holding a fee-simple interest in a property or any other person, or entity recognized by the California Franchise Tax Board for purposes of the applicable tax benefits.

(l) "Property" means a building and its site and landscape features.

(m) "Qualified Residence" has the same meaning as that term is defined in Section 163(h)(4) of the Internal Revenue Code, that will be owned and occupied by an individual taxpayer who has a modified adjusted gross income, as defined by Section 86(b)(2) of the Internal Revenue Code, of two hundred thousand dollars (\$200,000) or less, as the taxpayer's principal residence or what will be the taxpayer's principal residence within two years after the rehabilitation of the residence.

(n) "Qualified Rehabilitation Expenditure" (QRE) has the same meaning as that term is defined in:

(1) Section 47(c)(2) of the Internal Revenue Code, except that qualified rehabilitation expenditures may include expenditures in connection with the rehabilitation of a building without regard to whether any portion of the building is or is reasonably expected to be tax-exempt use property.

(2) Section 47(c)(2) of the Internal Revenue Code and also means rehabilitation expenditures incurred by the taxpayer with respect to a qualified residence for the rehabilitation of the exterior of the building or rehabilitation necessary for the functioning of the home, including, but not limited to, rehabilitation of the electrical, plumbing, or foundation of the qualified residence.

(o) "Registered Historic District" means any district listed in the California Register.

(p) "Rehabilitation" means the process of returning a building or buildings to a state of utility, through repair or alteration, which makes possible an efficient use while preserving those portions and features of the building and its site and environment that are significant to its historic, architectural, and cultural values as determined by the OHP.

(q) "Secretary of the Interior's Standards for Rehabilitation" (Standards for Rehabilitation) has the same meaning as that term is defined in part 67.7 Title 36 of the Code of Federal Regulations.

Authority: Sections 17053.91 and 23691 of the Revenue and Taxation Code; Section 5024.6, Public Resources Code.

References: Secretary of the Interior's Standards for Rehabilitation, Part 67.7 of Title 36 of the Code of Federal Regulations; Sections 17053.91 and 23691, Revenue and Taxation Code.

§4859.03. Initial Project Application.

(a) Property eligibility:

(1) The property must be listed on the California Register of Historical Resources or National Register of Historic Places.

(A) Dual projects are qualified to apply for state tax credit when the signed NPS Part 1 "Evaluation of Significance" form pursuant to 36 CFR 67.4 is received by OHP.

(B) Properties not listed on the California Register or National Register and applying for tax credit must first be nominated and listed using the criteria in either the California Code of Regulations Title 14 Division 3, Chapter 11.5 section 4851 and Public Resources Code 5024.1, or Title 36 Part 60.6 of the Code of Federal Regulations.

(2) For properties not listed on the California Register, or the listing status is unclear, request clarification of the property listing status from the OHP:

(A) Send an email to calshpo.tax@parks.ca.gov , using subject line "CR listing status request for <property address, city and county>"

(B) In the body of the email, provide the full name of the correspondent, the historic name the building is known by (if any), and the year the building was built, if known. Photos of the property may be attached at the correspondent's option.

(C) The OHP will contact the correspondent by email within 10 business days of the initial email receipt with the property listing status and further directions for listing the property.

(3) Nomination and listing of a property in the California or National Register is a separate regulatory action which must be completed before applying for state tax credit. For information on the nomination procedure, refer to section 4853 or 36 CFR 60.6.

(b) Who may apply:

(1) The fee simple owner of the property, or

(2) If an application is made by someone other than the fee simple owner, the application must be accompanied by a written statement from the fee simple owner indicating that he or she is aware of the application and has no objection to the request for certification.

(c) How to apply:

(1) Requests for rehabilitation tax credits shall use the state tax credit Application forms v. 5/24 incorporated by reference herein.

(2) Applications for rehabilitation tax credit consist of two parts:

(A) The Initial Project Application shall be used as confirmation that the subject property is listed in the California Register (Initial Project Application form v. 5/24 Section 1), to submit a description of the proposed rehabilitation and supplemental material (Initial Project Application form v. 5/24 Section 2), and to request a tax credit allocation (Initial Project Application form v. 5/24 Section 3).

1. An Amendment form template (Initial Project Application form v. 5/24 Section 2) is provided as part of the Initial Project Application v.5/24 to revise the project if needed.

(B) The Completed Project Application (Completed Project Application form v. 5/24 Section 4) shall be used to confirm the rehabilitation project was completed as described in the Initial Project Application v. 5/24 and meets the Standards for Rehabilitation and certifies the Qualified Rehabilitation Expense (QRE) cost (Completed Project Application form v. 5/24 Section 5).

(3) Certified historic structure projects receive a tax credit of 20% of the certified QRE costs. Applicants have the option to qualify for a 25% tax credit if the certified historic structure meets one of the following criteria:

(A) The structure is located on federal surplus property, if obtained by a local agency under Section 54142 of the Government Code, on surplus state real property, as defined by Section 11011.1 of the Government Code, or on surplus land, as defined by subdivision (b) of Section 54221 of the Government Code.

(B) The rehabilitated structure includes affordable housing for lower-income households, as defined by Section 50079.5 of the Health and Safety Code.

(C) The structure is located in a designated census tract, as defined in paragraph (7) of subdivision (b) of Section 17053.73.

(D) The rehabilitated structure is a part of a military base reuse authority established pursuant to Title 7.86 (commencing with Section 67800) of the Government Code.

(E) The structure is a transit-oriented development that is a higher density, mixed-use development within a walking distance of one-half mile of a transit station.

Specific criteria documenting 25% tax credit qualification are in Appendix D of the Instructions v. 5/24, incorporated by reference herein.

(4) Applicants apply for one of three tax credit allocation categories:

(A) Qualified Residences

(B) Projects with QRE costs less than \$1,000,000

(C) Projects with QRE costs \$1,000,000 or more

(5) Each category is allocated specific budget amounts by the legislature every fiscal year. When the anticipated cost totals of every project in that category approach the total budgeted allocation amounts, OHP will announce that applications for that category are no longer accepted until the next fiscal year when allocations are budgeted again.

As each tax credit funding category is exhausted, OHP will stop taking applications for that category. OHP will return any unprocessed applications and fees to the applicant.

OHP will notify the public that the funding category is exhausted, and applications are no longer being accepted by OHP email lists and the OHP social media.

When additional funding is available, OHP will begin accepting applications and will notify the public by OHP email lists and the OHP social media. Applications returned due to lack of allocation funding must resubmit their application.

(6) OHP charges a fee to review the Initial Project Application and the Completed Project Application. The fee must be submitted with the application for the review to be performed. Fees will be calculated based on the rates published in the Instructions v. 5/24. Fees are nonrefundable except where provided in subsection (c)(4).

(7) Applications received by OHP are logged in their order of arrival.

(8) Application reviews are concluded within 30 days of receipt of a complete, adequately documented application submittal.

(9) Applications and supplemental documentation submitted for state tax credit Qualified Residences only, may be submitted either electronically or as a hard copy at the applicant's discretion.

(10) Directions for electronic submission are in the Application Instructions v. 5/24.

(11) The OHP may request hard copies of some or all application materials on a case-by-case basis when needed for review purposes.

(d) Upon receipt of a complete Initial Project Application describing the rehabilitation project, the OHP shall determine if the project is consistent with the Standards for Rehabilitation. If the project does not meet the Standards for Rehabilitation, the applicant will be notified in writing and will be advised of necessary revisions to meet the Standards for Rehabilitation.

(e) If adequate documentation is not provided, the Applicant will be notified of the additional information needed to undertake the review. The review will be placed on "hold" until complete information is received, at which time the review period begins again.

(f) Application decisions by the OHP are conveyed in writing only to the applicant and to the CTCAC.

(g) Decisions are based on the descriptions contained in the application form and other supplementary material. In the event of any discrepancy between the application form and supplementary material submitted with it (such as architectural plans, drawings, specifications, etc.), the applicant shall be requested to resolve the discrepancy in writing. In the event the discrepancy is not resolved, the description in the application form shall take precedence.

(h) An applicant will not be held responsible for prior rehabilitation work that was undertaken by previous owners.

(i) Because the circumstances of each rehabilitation project are unique to the individual historic structure involved, previous certifications granted to other rehabilitations do not form a precedent and may not be relied on as applicable to other projects.

(j) For rehabilitation projects that are to be completed in phases over the alternate 60-month period allowed in Section 47 of the Internal Revenue Code (and Section 17053.91 of the California Revenue and Taxation Code), the Initial Project Application and supporting architectural plans and specifications should identify the project as a 60-month phased rehabilitation project and describe the number, order, and general scope of each phase. If the Initial Project Application clearly identifies the project as a phased rehabilitation, the OHP will consider the project in all its phases as a single rehabilitation.

(1) Work undertaken in a later phase of a 60-month phased project that does not meet the Standards for Rehabilitation, whether or not submitted for review, may result in a denial of certification of the entire rehabilitation, considered in the context of the project as a whole.

(k) Qualified Residence projects are not eligible for phasing.

(l) Applicants must commence rehabilitation within 365 days after issuance of the tax credit allocation by the CTCAC. If rehabilitation is not commenced within this time period, the tax credit allocation shall be forfeited, and the credit amount associated with the tax credit allocation shall be treated as an unused allocation tax credit amount. Applicants shall provide documentation, such as a Notice to Proceed or a signed construction contract, to the OHP before the deadline expires.

(m) The reviewed Initial Project Application form is sent by the OHP to the CTCAC for their action in the order reviews are completed.

(n) Once a proposed project has been approved, substantive changes in the work from those described in the application must be brought promptly to the attention of the OHP using the Amendment form v. 5/24 to ensure continued conformance to the Standards for Rehabilitation. The OHP will notify the applicant whether the revised project continues to meet the Standards for Rehabilitation. Amendments do not incur any additional fees.

(1) Dual projects submitting Amendments use the federal Amendment/Advisory Determination Form pursuant to 36 CFR 67.6(d).

Authority: Sections 17053.91 and 23691 of the Revenue and Taxation Code; Section 5024.6, Public Resources Code.

References: Secretary of the Interior's Standards for Rehabilitation, Part 67.7 of Title 36 of the Code of Federal Regulations; Sections 17053.91 and 23691, Revenue and Taxation Code.

§4859.04. Determination of Historic Significance.

(a) All individual properties and historic districts listed on the National Register of Historic Places are automatically listed on the California Register.

(b) Dual project properties are automatically listed in the California Register when the federal Part 1 "Eligibility Evaluation of Significance" Form pursuant to 36 CFR 67.4 is signed by the NPS, returned to the applicant, and copied to the OHP.

(c) A property listed in the California Register, either individually or as a contributing resource to a registered historic district, is considered a certified historic structure or a qualified residence and no further action is required, except when:

(1) Multiple Building Properties: Some properties listed in the California Register include more than one building. In such cases, the applicant must submit additional information in the Initial Project Application Narrative Template describing all the buildings.

(2) Functionally Related Buildings: Properties containing more than one building where the buildings are determined by the OHP to be functionally related historically, such as a detached garage or a tank house, must submit additional information in the Initial Project Application Narrative Template v. 5/24. The applicant must describe how the buildings were used together to perform a historical function to determine whether the related buildings contribute to the historic significance of the property.

Authority: Sections 17053.91 and 23691 of the Revenue and Taxation Code; Section 5024.6, Public Resources Code.

References: Secretary of the Interior's Standards for Rehabilitation, Part 67.7 of Title 36 of the Code of Federal Regulations; Sections 17053.91 and 23691, Revenue and Taxation Code.

§4859.05. Project Commencement, Completion, and Certification

(a) Upon project completion, the applicant shall submit to the OHP a Completed Project Application providing the project completion date, total cost and QRE costs attributed to the rehabilitation, photo documentation of the completed project, and all other information as required in the Application.

(b) The rehabilitation project must meet all of the Standards for Rehabilitation. Portions of the rehabilitation project not in conformance with the Standards for Rehabilitation may be grounds for denial of the project as a whole.

(c) For rehabilitation projects involving more than one certified historic structure where the structures are deemed by the OHP to have been functionally related historically to serve an overall purpose, rehabilitation certification will be issued on the merits of the overall project rather than for each structure or individual component.

(d) For rehabilitation projects where there is no historic functional relationship among the structures, the certification decision will be made for each separate certified historic structure regardless of how they are grouped for ownership or development purposes.

(e) In rehabilitation projects where the structures have been determined to be functionally related historically, demolition of a component may be approved, in limited circumstances, when:

(1) The component is outside the period of significance of the property; or

(2) The component is so deteriorated or altered that its integrity has been irretrievably lost; or

(3) The component is a secondary one that generally lacks historic, engineering, or architectural significance or does not occupy a major portion of the site and persuasive evidence is present to show that retention of the component is not technically or economically feasible.

(f) The OHP reserves the right to inspect completed projects 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 represented by the applicant in their application and supplemental documentation, or that the applicant undertook further unapproved project work inconsistent with the Standards for Rehabilitation. In these situations, CTCAC will be notified of any change in certification status.

(g) If a building located on a multiple building property has, through activities of the proposed tax credit project, lost those qualities which caused it to be designated a certified historic structure or qualified residence, it may be reclassified as no longer eligible for listing on the California Register and its certification may be withdrawn. In these situations, CTCAC will be notified of any change in certification status.

(h) If a proposed, ongoing, or completed rehabilitation project does not meet the Standards for Rehabilitation, an explanatory letter will be sent to the applicant with a copy to CTCAC. A rehabilitated property not in conformance with the Standards for Rehabilitation and that is determined to have lost those qualities that caused it to be listed on the California Register, may be removed from the California Register in accord with California Code of Regulations, California Register of Historical Resources section 4859.

Authority: Sections 17053.91 and 23691 of the Revenue and Taxation Code; Section 5024.6, Public Resources Code.

References: Secretary of the Interior's Standards for Rehabilitation, Part 67.7 of Title 36 of the Code of Federal Regulations; Sections 17053.91 and 23691, Revenue and Taxation Code.

§4859.06. Appeals.

(a) The applicant or a duly authorized representative may appeal a denial of certification.

(b) Appeals must:

- (1) Be in writing; e.g., letter or email, using subject line "Denial Appeal <OHP project no.>".
- (2) Be addressed to: State Historic Preservation Officer, California Office of Historic Preservation, PO Box 942896, Sacramento CA 94296-0001 or calshpo.tax@parks.ca.gov.
- (3) Be received by the OHP within 30 days of receipt of the denial by the applicant, or a duly authorized representative, and,
- (4) Include all information the applicant wishes the State Historic Preservation Officer (SHPO) to consider in deciding the appeal.

(c) The appellant may request a meeting to discuss the appeal.

(d) The OHP will notify CTCAC that an appeal is pending.

(e) The SHPO will consider the record of the decision in question, any further written submissions by the applicant, and other submitted information.

(f) The SHPO shall consider alleged errors in professional judgment or alleged prejudicial procedural errors by OHP officials. SHPO's decision may:

- (1) Reverse the appealed decision; or
- (2) Affirm the appealed decision; or
- (3) Where appropriate, withhold a decision until receipt of additional information needed for review.

(g) The SHPO will return an Appeals decision within 45 days of receipt of the appeal.

(h) The decision of the SHPO shall be the final administrative decision on the appeal. No person shall be considered to have exhausted their administrative remedies with respect to the certifications or decisions described in this part until the SHPO has issued a final administrative decision pursuant to this section.

(i) For dual projects where the SHPO may disagree with the NPS for denial of a project certification, the SHPO may separately approve the completed project for state tax credit and append a memorandum explaining reasons for approval to the OHP Completed review form.

Authority: Sections 17053.91 and 23691 of the Revenue and Taxation Code; Section 5024.6, Public Resources Code.

References: Secretary of the Interior's Standards for Rehabilitation, Part 67.7 of Title 36 of the Code of Federal Regulations; Sections 17053.91 and 23691, Revenue and Taxation Code.

-End-

STATE HISTORIC REHABILITATION TAX CREDIT APPLICATION INSTRUCTIONS

1. Application Forms

All SHRTC Application forms are fillable PDFs which are downloaded from the OHP State Historic Rehabilitation Tax Credit web site. These include:

- Sections 1, 2 and 3 Initial Project Application,
- Section 2 Application Narrative Template,
- Section 2 Amendment form,
- Sections 4 and 5 Completed Project Application.

Section 3 provides tax and finance information to the California Tax Credit Allocation Committee (CTCAC) to confirm the applicant qualifies for state tax credit allocation.

Section 5 provides completed certified Qualified Rehabilitation Expenditure costs to the CTCAC to confirm the final value of the state tax credit.

Upload the completed application forms to OHP with the supplemental documentation for each submission as described in these Instructions.

The Application PDF is returned to the applicant with an authorized signature, review decision, and comments if applicable.

2. Application Overview

A. State Projects

Projects applying only for state tax credit use all application forms and templates provided on the OHP State tax credit web page:

- The Initial Project Application.
- The Rehabilitation Application Narrative template.
- The Amendment Form.
- The Completed Project Application.
- Fees.

B. Dual Projects

Projects applying for both the state and federal tax credits use only:

- The Initial Project Application.
- The Completed Project Application.
- fees.

The state review uses the same supplemental documentation and formats required by the federal tax credit program.

Amendments are reviewed using the federal amendment form 10-168b pursuant to 36 CFR 67.6. Dual projects do not submit state amendment forms.

Dual projects not currently listed in the California Register are listed in the California Register upon approval of the signed federal Part 1 "Evaluation of Significance" Form 10-168 pursuant to 36 CFR 67.4.

3. Application Format

A. The Initial Project Application has three sections:

- Section 1: Confirmation of California Register Listing
- Section 2: Application Narrative Template and Impact of project on character-defining features.
- Section 2 Amendment: Use the Amendment form for changes during construction.
- Section 3: Project data, tax identification information, estimated project total and Qualified Rehabilitation Expenditure (QRE) costs and the allocation request. This section contains financial information for the CTCAC.

B. The Completed Project Application has two sections:

- Section 4: Request for Certification of Completed Work
- Section 5: Completed project data and final total costs. This section contains financial information and cost certification for the CTCAC.

The current version of the forms is at the top left of the Application page. Current form versions are available on the [State Historic Rehabilitation Tax Credit web page](#).

4. Tax Credit Categories

A. Applicants apply for one of three tax credit allocation categories:

- Qualified Residences
- Projects with QRE costs less than \$1,000,000
- Projects with QRE costs \$1,000,000 or more

Each category is allocated specific budget amounts by the legislature every fiscal year. When the anticipated cost totals of every project in that category approach the total budgeted allocation amounts, OHP will announce that applications for that category are no longer accepted until the next fiscal year when allocations are budgeted again by email and OHP social media.

When new funding is allocated, OHP will announce that applications are being accepted.

5. Application Fees and Calculation

A. OHP Fees:

Qualified Residence fees are set at a flat rate of \$900. \$450 is paid with the Initial Project Application and \$450 is paid with the Completed Project Application.

All income-producing properties incur a fee of 1% of the Completed Qualified Rehabilitation Expense (QRE) up to the first \$125,000. An additional 0.15% for the QRE expenses above \$125,000 is added to the 1% base fee. Fees are capped at \$6000.

The Initial Project Application fee is one half of the estimated QRE cost declared on the Initial Project Application.

The Completed Project Application fee is the balance of the final fee calculated from the final total QRE cost declared on the form minus the Initial Application fee.

B. CTCAC Fees:

Processing Fee: A fee in the amount of \$500 for Qualified Residence projects and \$1,000 for all other projects shall be submitted to the CTCAC at the time the applicant is notified by the OHP that the Initial Project Application is forwarded to the CTCAC.

Administrative Fee: A fee in the amount of 2% of the tax allocation credit shall be submitted to the CTCAC within 10 calendar days of the allocation award at project completion.

Qualified Residence QRE costs DO NOT INCLUDE new construction or additions, furniture, landscaping, and small appliances.

All Projects with QRE costs below \$25,000 do not qualify for a tax credit.

6. Application Fee remittance

OHP can only receive fee payments as a personal, corporate or cashier's check. Payments must be submitted at the time of application and can be mailed or delivered to the OHP office. The mailing address is:

OHP Tax Credit Program
P.O. Box 942896
Sacramento CA 94296

Make checks payable to "Office of Historic Preservation".

The CTCAC processing fee, in the form of a check, must be submitted to CTCAC at the time the applicant is notified by OHP that the Initial Project Application is forwarded to CTCAC.

The CTCAC Administrative Fee, in the form of a check, shall be submitted within 10 days of the time the applicant is notified by OHP that the Completed Project Application is forwarded to CTCAC.

The mailing address is:

CTCAC State Historic Tax Credit Program
901 P Street, Suite 213A
Sacramento CA 95814

Make checks payable to "CTCAC".

7. Application Signature

Signatures can be either:

- A .jpg or transparent .png signature added onto the signature field.
- A hand-signed hard copy of the application front page and scanned as a PDF file. Include the PDF signed copy with the Initial submittal PDF. Note in the signature field that 'PDF of signed form is included'.
- A digital signature may be added to the fillable PDF.

Signatures typed into the signature field are not accepted.

8. Section 2 Initial Project Application

Section 1:

1. Historic Property:
 - a. Provide the commonly known historic name of the property. If there is none, the property name is the street address.
 - b. Provide the address of the property.
 - c. Identify any local, state, or national historic district to which the property contributes, if any. Local listing designations can be included here. Identify the jurisdiction listing the property.
 - d. Type 'X' into only one box indicating the property is a contributor to a California registered Historic District, an individually listed property on the California Register, or an approved or pending federal tax credit Part 1 "Evaluation of Significance" form.
2. Project contact (if different from applicant):
 - a. Provide contact's name.
 - b. Provide contact's company.
 - c. Provide contact's mailing address.
 - d. Provide contact's phone number and email address.
3. Applicant:
 - a. Type 'X' into the box affirming that either the applicant is the owner of the property, or the owner is aware of the proposed project and has no objection to its rehabilitation. Include a letter signed by the owner acknowledging the project and agreeing to the

rehabilitation project.

- b. Provide applicant's name.
- c. Provide applicant's signature.
- d. Provide the date the application was signed.
- e. Provide the name of applicant's business, company or corporation.
- f. Provide applicant's mailing address.
- g. Provide applicant's phone number.
- h. Provide applicant's email address.

4. Confirmation of California Register Listing:

- a. Type 'X' into the box affirming that the property is either listed in the California Register or there is an approved or pending federal Part 1 "Evaluation of Significance" form. Include documentation of the California Register listing or NPS signed Part 1 "Evaluation of Significance" form with the Initial Project Application submittal.

Section 2:

5. Determination of Significance:

- a. Type 'X' into all boxes that pertain to the proposed project. Include a description of the significance and/or functional relationship in the Application Narrative Template.

6. Project data:

- a. The total estimated cost of the project. (non-QRE + QRE)
- b. The estimated total QRE costs.
- c. Number of all buildings that are part of the constructed project. Include new construction.
- d. The floor area before the rehabilitation and floor area after rehabilitation.
- e. The estimated start date.
- f. The estimated completion date.
- g. Number of phases of construction for the project. Qualified residences are not phased.
- h. The use of the property before rehabilitation and the proposed use after rehabilitation.
- i. The number of dwelling units before rehabilitation and the number of dwelling units after rehabilitation.
- j. The number of low to moderate income dwelling units before rehabilitation and the number of low to moderate income dwelling units after rehabilitation.

7. Application category and fee:

- a. Type 'X' into one box for the allocation category being applied for.
- b. If 'Qualified residence' is selected, type 'X' in the box below to attest that the applicant occupies or will occupy the residence within two years, and that the applicant's modified adjusted gross income is \$200,000 or less.

- c. Compute the fee amounts in the boxes across from the checked allocation category using the formula described in the "Application Fees and Calculation" paragraph above.

8. 25% Bonus Criteria:

If the project qualifies for one of the criteria that provide a 25% tax credit, identify which criteria is being applied and submit the documentation required as described in Appendix D of the Instructions.

Section 3:

9. Section 3 Applicant Tax Identification Number:

The applicant identified in number 3 above provides their Tax Identification Number if an entity, or their Social Security Number if an individual.

Do not leave any field blank. Use 'zero' or 'N/A' (not applicable) if a field does not apply to the project.

Check that all fields are filled in, and that the correct applicant owner status box is selected. Confirm that the Application is signed and dated before submitting.

Mail or deliver the Initial Project fee using the formula provided in the Instructions to the OHP office address.

Submit the Application and separate supplementary documentation files using the secure OHP portal. Use the subject line "<Project name or mailing address> Initial Project submission" when requesting a link to the portal if the original link no longer works. Instructions to upload files and folders to the OHP secure submittal portal are in Appendix B.

9. Section 2 Initial Project Application Narrative Template

The Project Application Narrative Template is a part of the Initial Application form and must be filled out when applying for tax credit. A discussion identifying features is in Appendix C of the Instructions.

On the form, provide:

The Historic property name and address.

The form is a column of "blocks" numbered sequentially. Each block has a field to name a feature of the building and the date of that feature. For example, if the feature was built with the certified structure constructed in 1910, then the feature dates to 1910. If a feature was added later as part of a remodel, provide the approximate year the feature was added. In the field provided, describe the feature, the material of the feature, and the condition of the feature (good, fair, poor).

When describing features of a room, include the floor, wall, and ceiling material and elements

such as chair rails or cove molding. Include lighting fixture and whether they have been replaced, and mechanical features such as radiators or floor and wall grilles. Describe the window and door trim.

In the field provided below the feature description, describe any cleaning, repair or replacement of the feature as part of the proposed project. If no work to the feature is proposed, then state that no work is proposed.

The feature name field and the feature scope of work field are not expandable. The applicant may continue the description on a separate sheet or create a facsimile of the narrative template in a new document that allows more room for descriptions.

In the "Photo numbers" field, provide the photo numbers depicting the feature that corresponds to the numbered and labeled photos provided in the Initial submission.

In the "Drawing References" field, provide the drawing and detail number that specifies work to be done on the feature.

Numbers are provided in the first few blocks. Use the template with blank blocks to sequentially number blocks describing additional features.

Typical feature examples organized from exterior to interior, and room by room are found in Appendix A.

Submit the Application and separate supplementary documentation files using the secure OHP portal. Use the subject line "<Project name or mailing address> Initial submission" when requesting a link to the portal if the original link no longer works. Instructions to upload files and folders to the OHP secure submittal portal are in Appendix B.

10. Section 2 Amendment Application

If the project changes in a way that affects the treatment of features, describe the reason for the change and how the revised project affects the character-defining features.

On the Form:

1. Provide the Amendment number in the space provided in the heading, e.g. 01, 02, 03, etc.
2. Provide historic property information.
3. Provide the project contact.
4. Provide applicant information.
 - a. Provide applicant owner status, and sign and date form.
5. Provide a summary of the proposed revisions to the approved scope of work in the space provided. If more space for the summary is needed, indicate that the summary is "continued on next page".

On separate sheets provided with the form, reference the Initial Application Narrative Template block number of the work that is being revised.

Describe in detail the revisions proposed and reasons for the revisions. Provide additional documentation as needed to explain the revisions (drawings, photos, alternate product literature, engineer reports, etc.).

Submit the Application and separate supplementary documentation files using the secure OHP portal. Use the subject line "<OHP project number> Amendment submission" when requesting a link to the portal if the original link no longer works. Instructions to upload files and folders to the OHP secure submittal portal are in Appendix B.

Dual projects submit only federal Amendment forms.

No fees are paid when submitting amendments.

11. Section 4 Completed Project Application

1. Historic Property:

- a. Provide the commonly known historic name of the property. If there is none, the property name is the street address.
- b. Provide the address of the property.
- c. Identify any local, state, or national historic district to which the property contributes, if any. Local listing designations can be included here. Identify the jurisdiction listing the property.
- d. Type 'X' into only one box indicating the property is a contributor to a California registered Historic District, an individually listed property on the California Register, or an approved or pending federal tax credit Part 1 "Evaluation of Significance" form.

2. Project contact (if different from applicant):

- a. Provide contact's name.
- b. Provide contact's company.
- c. Provide contact's mailing address.
- d. Provide contact's phone number and email address.

3. Applicant:

- a. Type 'X' into the box affirming that either the applicant is the owner of the property, or the owner is aware of the proposed project and has no objection to its rehabilitation. Include a letter signed by the owner acknowledging the project and agreeing to the rehabilitation project.
- b. Provide applicant's name.
- c. Provide applicant's signature.
- d. Provide the date the application was signed.
- e. Provide the name of applicant's business, company or corporation.
- f. Provide applicant's mailing address.
- g. Provide applicant's phone number.

h. Provide applicant's email address.

4. Completed Project Data:

- a. Provide the actual start date.
- b. Provide the actual completion date.
- c. Provide the number of dwelling units before and after rehabilitation.
- d. Provide the number of low and moderate income dwelling units before and after rehabilitation.
- e. Provide the final total Qualified Rehabilitation costs (QRE).
- f. Provide the final total construction cost (QRE plus non-QRE project costs).

5. Completed Application category and fee:

- a. Type 'X' into one box for the allocation category being applied for.
- b. If 'Qualified residence' is selected, type 'X' in the box below to attest that the applicant occupies or will occupy the residence, and that the applicant's modified adjusted gross income is \$200,000 or less.
- c. The fee amounts in the boxes across from the checked allocation category are computed using the formula published in the "Application Fees and Calculation" paragraph above.

6. Provide Project Data required for legislative analysis:

This information must be filled out by all applicants to provide an accurate analysis. If a field does not apply to the project, write "N/A" or "none".

- a. Provide the best estimate of the number of jobs for the work skills listed on the form.
- b. Estimate the state, local, and property tax increase represented by the completed rehabilitation.
- c. List any other federal, state, or local incentives, grants, or other contributions that were used for the rehabilitation.
- d. Select the public benefit of the rehabilitated Qualified Residence.

7. Cost Certification Document

Complete the Cost Certification document included in the Completed Project Application v. 5/24 to certify the qualified rehabilitation expenditures. A taxpayer shall be allocated a tax credit pursuant to the taxpayer's tax credit allocation upon receipt by CTCAC of a cost certification for the qualified rehabilitation expenditures. For projects with qualified rehabilitation expenditures in excess of \$250,000, the cost certification shall be issued by a licensed certified public accountant.

Mail or deliver the Completed Project Application fees using the formula described in "Application Fees and Calculation". Use the addresses provided in "Application Fees and Calculation".

Qualified Residence QRE costs DO NOT INCLUDE new construction or additions, furniture, landscaping, and small appliances.

Submit the Application, completed project photo files, and any other separate supplementary documentation files using the secure OHP portal. Use the subject line "<OHP project number> Amendment submission" when requesting a link to the portal if the original link no longer works. Instructions to upload files and folders to the OHP secure submittal portal are in Appendix B.

12. Application Forms of Record

In the event of a discrepancy between the applicant's application form and the OHP application form on file, the Application Form of Record is the OHP application form on file.

Appendix A

Subject lines for correspondence to calshpo.tax

When emailing OHP regarding questions or additional submissions about tax credit projects at calshpo.tax@parks.ca.gov, responses will be quicker when the email identifies the project and the subject in the subject line. Examples are:

- "<Project name or address> Initial submission"
- "<OHP project number> Amendment submission"
- "<OHP project number> Completed submission"
- "<OHP project number> link request"
- "<OHP project number> Initial submission question"
- "<OHP project number> Initial submission additional information"

File name Format Examples

When naming files for upload to the OHP Portal, use these standard formats. Dual projects will use the NPS standard format.

- "<OHP> Initial submission"
- "<OHP project number> Initial submission Narrative"
- "<OHP project number> Initial submission Photo Key"
- "<OHP project number> Initial submission Photos jpeg"
- "<OHP project number> Initial submission Photos PDF"
- "<OHP project number> Initial submission Drawings"
- "<OHP project number> Initial submission additional information"
- "<OHP project number> Amendment 1 submission"
- "<OHP project number> Completed submission", etc.

Typical feature blocks organized from exterior to interior, and room by room:

- | | | | |
|--------------------|--------------------|------------------------|--------------------------|
| 1. Site | 8. Windows | 15. Living room | 22. Doors, trim, molding |
| 2. Landscaping | 9. Roof | 16. Dining Room | 23. Ornamental elements |
| 3. Hardscaping | 10. Gutters | 17. Other rooms | 24. Light fixtures |
| 4. Front elevation | 11. Chimney | 18. Basement | 25. Radiators, fireplace |
| 5. Back elevation | 12. Porch | 19. Second floor rooms | 26. Other features |
| 6. Left elevation | 13. Front entrance | 20. Stairs | |
| 7. Right elevation | 14. Foyer | 21. Bathrooms | |

Appendix B

Upload Instructions to the secure OHP Portal

All file formats must be PDFs unless photos are submitted as jpegs.

When all Application and submission files are complete:

Request a link to the OHP secure SharePoint Portal.

- Email the request for a portal link to calshpo.tax@parks.ca.gov.
- Use "Link request for Tax project" in the subject line. Add the OHP project number to the subject line if known.
- In the body of the text, include:
 - The requestors name and company or affiliation.
 - The project name, city, and county where the project is located.
 - The email addresses of others permitted to access the portal.

The shared portal link is sent to applicant's and other's emails as provided. First time SharePoint users are prompted to verify their email with a verification code sent to the email address provided in the request.

The OHP portal opens in a browser.

- Select 'upload' from the banner menu.
- Select 'files', or 'folder' if the files are collected in a folder, from the pulldown menu.
- Many files can be selected for upload at once, but only one folder is uploaded at a time.
- Do not upload ZIP files.
- Browse for the files or folder in the applicant PC and select.
- Click on 'open' at the bottom of the window.

The selected documents upload to the OHP portal. If technical issues are encountered, email calshpo.tax@parks.ca.gov, identify the project and explain the issue.

RETAIN THIS LINK. The link should remain valid throughout completion of the project. Use the link to provide any additional documentation or information.

Although OHP is notified when documents are uploaded to a SharePoint folder, a follow-up email to the project reviewer is recommended.

Qualified residence project applicants have the option to deliver one hard copy Application submission to the OHP office for review instead of electronic submittal through the Portal. Documentation formats still apply.

Appendix C

Documentation Format Standards for Qualified Residence submittals

All applicants are encouraged to follow the submittal format examples as described on the National Park Service (NPS) [Documentation Requirements for Certification Applications](#) web page.

Photo format:

Photos may be submitted as jpegs in a folder. Each folder cannot exceed 50 photos, and photo files cannot be larger than 500 kilobytes. Photos must be numbered sequentially and submitted with a document which describes each photo in numerical order.

Photos may be submitted as PDFs. Each page must have no more than two photos. Photos and pages must be sequentially numbered. Descriptions can be below each photo or described in a separate document.

All new photos must be in color. Vintage or historical photos may remain their original color.

All photo submissions must include a photo key, which is a plan of each floor of the building with arrows numbered to match the photos in the direction and location from which they were taken.

Exterior photos can be keyed using the first floor plan in the context of a property map. Photos of other structures on the property can be noted there. Include photos up and down the street to provide a neighborhood context.

Interior photos should include views of the floor, ceiling, and all four walls. Include features like light fixtures, trim and baseboard details.

If any critical photos are illegible, review will be placed on hold until legible photos are provided.

NPS Photo sheet examples

Drawing format:

Architectural drawings and legible sketches by others must be submitted in PDF format. All drawings must be numbered and referenced in the Rehabilitation Application Narrative Template.

Legible photos of no more than six drawings are permitted if PDFs are unavailable.

Product literature:

Product literature descriptive of products used in the project can be submitted as PDFs. Do not provide any pages of products that are not used in the project. If the product used is one of several listed, use the drawing tool to indicate which product is specifically used or provide the product ID in the descriptive narrative.

What is a feature?

Qualified residences and historic buildings have features characteristic of the style and period in which they were built. Features are found on the exterior and interior of historic buildings. These are the features that this program encourages to remain and repair, or replace in kind, during projects that upgrade or repurpose historic buildings.

The review criteria for the compatible treatment of the historic building and its features are the ten Secretary of the Interiors Standards for Rehabilitation. The standards are provided in Appendix D of the Instructions, and links for compatible treatments are on the OHP Architectural Review webpage.

A project Application Narrative Template fillable PDF is provided in the Application. Each page has numbered blocks where each feature is described and located on or in the building, and a space to describe if or how the project impacts each feature, whether it is left as-is, or cleaned, repaired, or replaced in kind.

Features or elements proposed for in-kind replacement must justify the replacement by documenting that the majority of existing features are too damaged to economically repair.

Examples of exterior features would be landscape objects such as a fountain or well, brackets at roof eaves, gable pediments, decorative window head trim called hoods, siding that is clapboard, shiplap or shingle, windows that are fixed or double hung, sash that has many panes or no panes, and so on.

Materials can be a feature of a building's style and period built. Examples of materials typical of a mid-century modern residence could be vertical wood battens, brick, stone or other masonry, and stucco.

Spaces can be a character-defining feature, such as an open courtyard in an Eichler residence, or the volume of a theater house.

Links for further discussion and examples of period styles and features, and sample narratives, are available in guidelines for the SHRTC on the OHP State Tax Credit web page.

Begin the description of project features from the large scale to the small scale, and from exterior to interior. Block 1 should describe the property and prominent landscaping, foundation landscaping, sidewalks, stairs or retaining walls, elements like porches, chimneys turrets, etc.

Continue with a description of one feature per block found on the exterior of the building.

Windows are described in their own block.

Continue to the inside of the qualified residence or historic building. Describe any features typical of the building, such as trim or detailed carpentry, use of several materials, ceiling heights or formal spaces.

Describe each room per block. Note ceiling, wall and floor material, ornamental plaster or wood trim, window casings, heating elements like radiators, pocket doors, etc.

Note the condition of the existing mechanical, electrical and plumbing systems using as many blocks as needed. In the project impact space, note if the system or its elements remain in place, are repaired or replaced in part or in whole.

In each block, use the project impact space to describe how the proposed project affects the features, whether they remain in place, cleaned or maintained, repaired or replaced in kind. Replacement in kind must be justified.

If the guidelines referenced in the OHP state tax credit website do not resolve questions, email the OHP staff at calshpo.tax@parks.ca.gov using the subject line "<OHP project number> Request for technical assistance". Describe the question or issue in the body of the email and preferred contact method using email or a phone call. Provide a phone number and a staff member will return a call shortly to resolve the issue.

Appendix D

Initial Application submittal requirements for the 25% Bonus Credit

A. Project located on Surplus Property

Note: A reuse on surplus land in which the federal or state agency retains ownership shall coordinate any historical redevelopment applicable statutory reviews with the SHPO. (Section 106 for Federal, Public Resource Code 5024.5 for California)

Federal Surplus Property obtained through local agency under Government Code 54142:

Submit: Letter on letterhead signed by an authorized representative of the local jurisdiction attesting that the structure for the proposed reuse is located on federal surplus acquired by ordinance and that the proposed reuse conforms with their General Plan or other land use plan.

Submit: Copy of Ordinance acquiring surplus property, and documentation of the conveyed federal property and all conditions of the conveyance.

State Surplus Property defined by Government Code 11011.1:

Submit: Finding/Declaration/Statute that defines land as surplus by the Legislature.

Submit: Letter on letterhead from the Director of General Services or a designated representative identifying under which provisions of GC 11011.1 that the land was transferred to, the entity obtaining the land and the date of transfer.

Surplus land defined by Government Code 54221(b):

Submit: Letter on letterhead from the local agency representative authorized to dispose of surplus land confirming that the land was surplus as per Section 54221(b). Provide any written findings in support of the property status as occupying surplus land.

B. Projects that include affordable housing for lower income households as defined by Health and Safety Code Section 50079.5

"Lower income households" means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937.

The limits are published by the Department of Housing and Community Development ("Department") in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development.

"Lower income households" includes very low income households, as defined in Health and Safety Code Section 50105, and extremely low income households, as defined in Section 50106.

Briefing materials and State Income Limits for current years are provided by the Department's Division of Housing Policy Development. Income limits reflect updated median income and household income levels for extremely low-, very low-, low-, and moderate-income households for California's 58 counties.

Submit: Memorandum from Division of Housing Policy Development publishing current year state income limits with the 'very low income' and lower incomes highlighted in the county of the project.

Submit: Letter on letterhead from the applicant that the reuse includes a minimum of 20% of the housing as affordable housing for households of lower incomes and includes a deed restriction requirement maintaining affordability of the units for 55 years.

C. Project located in a Designated Census Tract as defined in Revenue and Taxation Codes 17053.73(b)(7) and 23691(b)(7)

"Designated census tract" means a census tract within the state that is determined by the Department of Finance to have a civilian unemployment rate that is within the top 25 percent of all census tracts within the state and has a poverty rate within the top 25 percent of all census tracts within the state, as prescribed in Section 13073.5 of the Government Code.

[Designated Census Tracts | Department of Finance \(ca.gov\)](#)

Click on the link for "*Listing of Designated Census Tracts and Excluded Census Tracts (2017-2021)*" below the "*January 2024 Designations*" heading.

- Download the Excel file and open.
- Select the "Designated Census Tracts" tab at the bottom of the window.
- Sort by "poverty rate" in descending order.
- Highlight census tracts with a poverty rate of 75% or higher.

Submit: a document of the highlighted list of census tracts with the Initial Project Application.

Submit: a legible map locating the proposed project property within the census tract boundary.

D. Project is part of a military base Reuse Authority

Submit a letter on letterhead from the Board of Directors chair of the Reuse Authority confirming that the reuse proposed is consistent with the Authority adopted Reuse Plan and notes no objection to the reuse.

If the Authority for the base has been dissolved, then the project does not qualify for the 25% bonus credit.

E. Project is a higher density, mixed use development located within ½ mile of Transit Station

Include in the Initial Project Application Narrative, Section 2, a dedicated block describing the existing density and mixed use condition of the structure proposed for rehabilitation, and any proposed scopes of work to maintain or increase the density and the mixed use.

Submit a legible to-scale map showing the project property located within or partially within a half mile radius from the center of a transit station.

Include documentation that the transit station meets the requirements of that station as defined below.

“Bus Hub” means an intersection of three or more bus routes, with a minimum route headway of 15 minutes during Peak Hours

“Bus Transfer Station” means an arrival, departure, or transfer point for the area’s intercity, intraregional, or interregional bus service having permanent investment in multiple bus docking facilities, ticketing services, and passenger shelters.

“Peak Hours” means the time between 7 a.m. to 10 a. m., inclusive, and 3 p.m. to 7 p.m., inclusive, Monday through Friday.

“Transit Station” means a rail or light-rail station, ferry terminal, Bus Hub, or Bus Transfer Station.

* Definitions adapted from CA Department of Housing and Community Development Transit-Oriented Development Housing Program.

Appendix E

Secretary of the Interior's Standards for Rehabilitation

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

Appendix F

Links for Further Information

National Park Service Historic Preservation Tax Incentives Web Site

Cumulative Effect and Historic Character
Acquired Significance and Standard 4
Continued Historic Use and Standard 1

Preservation Brief 32: Making Historic Properties Accessible
Preservation Brief 41: The Seismic Retrofit of Historic Buildings: Keeping Preservation in the Forefront

Windows

Interior treatments
New additions and related new construction
Modern requirements and new technologies
Other treatments
Deteriorated and damaged buildings

Evaluating Historic Windows for Repair or Replacement
Replacement Windows that Meet the Standards
Documentation Requirements for Proposed Window Replacement
Replacement Windows Where No Historic Windows Remain

Identifying Primary and Secondary Interior Spaces in Historic Buildings
Changing Secondary Interior Spaces in Historic Buildings
Historically-Finished Secondary Spaces—Avoiding Problematic Treatments at Project Completion
Subdividing Assembly Spaces in Historic Buildings
Retaining Corridors and Other Circulation Spaces in Historic Buildings
Interior Spaces, Features, and Materials in Highly Deteriorated Condition and Standard 2
Exposing Interior Masonry Walls and Ceilings

New Additions to Historic Buildings
New Construction within the Boundaries of Historic Properties
Rooftop Additions

Codes and Regulatory Requirements for Rehabilitating Historic Buildings
Energy Efficiency, Sustainability, and Green Building Practices in Historic Buildings
Evaluating Substitute Materials in Historic Buildings

**STATE HISTORIC REHABILITATION TAX CREDIT
SECTIONS 1, 2 AND 3 INITIAL PROJECT APPLICATION**



Note: Refer to the Instructions to fill out the form. All fields on the form must be completed if applicable or the form will be returned.	FY	Q ORDER	OHP No.	
			NPS No.	

1. Historic Property Name: _____
 Street: _____
 City: _____ County: _____ Zip: _____
 Name of Historic District to which property contributes: _____
☐ California Register District ☐ California Register Property ☐ federal Part 1 application submission

2. Project Contact (if different from applicant)
 Name: _____ Company: _____
 Street: _____ City: _____ State: _____
 Zip: _____ Phone: _____ Email Address: _____

3. Applicant

I 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 CCR 4859.02(k), and/or
 if I am not the fee simple owner of the above described property, the fee simple owner is aware of 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 form and
 incorporated herein, or is previously submitted, and (ii) meets the requirements of CCR 4859.02(k).

I understand that willful falsification of this application is considered a felony under California Penal Code Section 115 and may subject me to fines and imprisonment of up to three years.

Name: _____ Signature: _____ Date: _____
 Applicant Entity: _____
 Street: _____ City: _____ State: _____
 Zip: _____ Phone: _____ Email Address: _____

continued on next page

OHP Official Use Only Section 1

The OHP has reviewed the Initial Application Section 1 for the property above and has confirmed it:

- ☐ is listed individually or contributes to the above-named district on the California Register and is a "certified historic structure" for rehabilitation purposes.
☐ is not listed on the California Register or has been determined as a non-contributor to a District.

Date _____ ☐ OHP Comments attached _____ Julianne Polanco, State Historic Preservation Officer

OHP Official Use Only Section 2

The OHP has reviewed the Initial Application Section 2 for the above-named property and has determined that:

- the rehabilitation described herein is consistent with the historic character of the property and/or with the district in which
☐ it is located and that the project meets the Standards for Rehabilitation. This letter is a preliminary determination only, since formal certification of rehabilitation can be issued only to the owner after rehabilitation completion.
☐ the proposed rehabilitation will meet the 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 Standards for Rehabilitation.

Date _____ Julianne Polanco, State Historic Preservation Officer

☐ OHP Comments attached

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4. Section 1 Confirmation of California Register Listing [type 'X' in applicable boxes]

- ☐ The building contributes to the significance of the above named historic district or is individually listed in the California Register for rehabilitation purposes.
- ☐ Documentation that the building is submitted for a Federal Tax Credit Part 1 "Evaluation of Significance" and will continue state review once signed and returned by the NPS.
- ☐ Documentation of California Register listing or approved signed Federal Part 1 form is attached.

Part 1 received by OHP: _____

Part 1 approved by NPS: _____ NPS No. _____

5. Section 2 Determination of Significance [type 'X' in applicable boxes]

- ☐ There are multiple buildings on the property. Describe their significance in the Section 2 Narrative.
- ☐ Buildings on the property are functionally related. Describe related functionality in the Section 2 Narrative.

6. Section 2 Project Data (for phased projects, data entered in this section must be totals for entire project)

Estimated total cost: _____ Estimated total rehabilitation costs (QRE): _____

Number of buildings in project: _____ Floor area before/after rehabilitation _____ / _____

Start date (estimated): _____ Completion date (estimated): _____

Application includes _____ phase(s) Use before/after rehabilitation: _____ / _____

of dwelling units before/after rehabilitation: _____ / _____

of low-moderate income dwelling units before/after rehabilitation: _____ / _____

7. Application category and fee

Select one category:

Total estimated fee:

Due with Initial Application:

☐ Qualified residence

☐ I attest that I own and occupy, or will occupy within two years, the subject qualified residence, and that my modified adjusted gross income is \$200,000 or less.

☐ Qualified rehabilitation expenditure under \$1,000,000☐ Qualified rehabilitation expenditure \$1,000,000 or more**8. 25% Bonus Criteria**

Select which criteria are used to qualify for a 25% bonus credit. Qualification requirements are in the Instructions.

☐ Federal surplus property obtained through local agency under Government Code 54142☐ Surplus state real property defined by Government Code 11011.1 ☐ Transit-oriented development☐ Surplus land defined by Government Code 54221(b)☐ Affordable housing for lower income households☐ Designated census tract defined by Government Code 17053.73(b)(7)☐ Military base reuse authority as per Government Code Title 7.86**9. Section 3 Applicant Tax Identification Number:**

Applicant from number 3 above tax ID: TIN _____ SSN _____

CTCAC Official Use Only Section 3

(20%)(25%) of the estimated QRE listed in number 6 above: _____

Processing Fee: _____

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Date _____

Executive Director, CTCAC

**STATE HISTORIC REHABILITATION TAX CREDIT
SECTION 2 APPLICATION NARRATIVE TEMPLATE**

Historic Property Name _____ OHP No. _____

Property Address _____

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.

1. Feature _____ Date of Feature _____

Describe existing feature and its condition

Photo Numbers:

Drawing References:

Describe work to feature

2. Feature _____ Date of Feature _____

Describe existing feature and its condition

Photo Numbers:

Drawing References:

Describe work to feature

STATE HISTORIC REHABILITATION TAX CREDIT
SECTION 2 APPLICATION NARRATIVE TEMPLATE

3. Feature _____ Date of Feature _____

Describe existing feature and its condition

Photo Numbers:

Drawing References:

Describe work to feature

4. Feature _____ Date of Feature _____

Describe existing feature and its condition

Photo Numbers

Drawing References:

Describe work to feature

STATE HISTORIC REHABILITATION TAX CREDIT
SECTION 2 APPLICATION NARRATIVE TEMPLATE

☐ Feature _____ Date of Feature _____

Describe existing feature and its condition

Photo Numbers

Drawing References:

Describe work to feature

☐ Feature _____ Date of Feature _____

Describe existing feature and its condition

Photo Numbers

Drawing References:

Describe work to feature

**STATE HISTORIC REHABILITATION TAX CREDIT
SECTION 2 AMENDMENT**



Note:	Refer to the Instructions to fill the form. All fields on the form must be completed if applicable or the form will be returned.	FY	Q ORDER	OHP No.	
				NPS No.	

1. Historic Property Name: _____
 Street: _____
 City: _____ County: _____ Zip: _____
 Name of Historic District to which property contributes: _____

2. Project Contact (if different from applicant)
 Name: _____ Company: _____
 Street: _____ City: _____ State: _____
 Zip: _____ Phone: _____ Email Address: _____

3. Applicant

I 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 CCR 4859.02(k), and/or if I am not the fee simple owner of the above described property, the fee simple owner is aware of 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 form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of CCR 4859.02(k).

I understand that willful falsification of this application is considered a felony under California Penal Code Section 115 and may subject me to fines and imprisonment of up to three years.

Name: _____ Signature: _____ Date: _____
 Applicant Entity: _____
 Street: _____ City: _____ State: _____
 Zip: _____ Phone: _____ Email Address: _____

4. Summary: Summarize changes to the proposed project below. Use additional sheets to describe revisions completely.

OHP Official Use Only Section 2 Amendment ☐

The OHP has reviewed the Initial Application Section 2 for the above-named property and has determined:

- ☐ The rehabilitation is consistent with the historic character of the property and meets the Standards for Rehabilitation.
- The proposed rehabilitation will meet the 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 Standards for Rehabilitation.
- ☐ The rehabilitation described herein is not consistent with the historic character of the property or district in which it is located. The project does not meet the Standards for Rehabilitation.

Date _____ Julianne Polanco, State Historic Preservation Officer

☐ OHP Comments Attached

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STATE HISTORIC REHABILITATION TAX CREDIT
SECTION 2 AMENDMENT

**STATE HISTORIC REHABILITATION TAX CREDIT
SECTIONS 4 AND 5 COMPLETED PROJECT APPLICATION**



Note:	Refer to the Instructions to fill out the form. All fields on the form must be completed if applicable or the form will be returned.	FY	Q ORDER	OHP No.	
				NPS No.	

1. Historic Property Name: _____
 Street: _____
 City: _____ County: _____ Zip: _____
 Name of Historic District to which property contributes: _____

2. Project Contact (if different from applicant)
 Name: _____ Company: _____
 Street: _____ City: _____ State: _____
 Zip: _____ Phone: _____ Email Address: _____

3. Applicant

I 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 CCR 4859.02(k), and/or
 if I am not the fee simple owner of the above described property, the fee simple owner is aware of the action and has no
☐ objection, as noted in a written statement by the owner, a copy of which (i) either is attached to this form and
 incorporated herein, or is previously submitted, and (ii) meets the requirements of CCR 4859.02(k).

I understand that knowing and willful falsification of factual representations in this application is considered a felony under California Penal Code Section 115 and may subject me to fines and imprisonment of up to three years.

Name: _____ Signature: _____ Date: _____
 Applicant Entity: _____
 Street: _____ City: _____ State: _____
 Zip: _____ Phone: _____ Email Address: _____

continued on next page

OHP Official Use Only Section 4

The OHP has reviewed the Completed Application Section 4 for the above-named property and has determined:

- ☐ 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 State Tax regulations. Questions concerning specific tax consequences or interpretations of the Franchise Tax Board should be addressed to the CTCAC. Completed projects may be inspected by an authorized representative of the SHPO to determine if the work meets the Standards for Rehabilitation. The SHPO 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 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.

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Date _____ Julianne Polanco, State Historic Preservation Officer

☐ OHP Comments Attached

4. Project Data (for phased projects, data entered in this section must be totals for entire project)

Start date: _____ Completion date: _____

of dwelling units before/after rehabilitation: _____ / _____

of low-moderate income dwelling units before/after rehabilitation: _____ / _____

Total construction cost (QRE+nonQRE) _____ Final rehabilitation cost (QRE): _____

5. Application category and fee

Select one:

Final Total fee: Due with Completed Application:

☐ Qualified residence

☐ I attest that I own and occupy, or will occupy within two years, the subject qualified residence, and that my modified adjusted gross income is \$200,000 or less.☐ Qualified rehabilitation expenditure under \$1,000,000

☐ Qualified rehabilitation expenditure \$1,000,000 or more

6. Data required for legislative analysis All fields must be filled out. If a field does not apply, indicate "0".

1. Estimate the number of jobs contributing to the project:

_____ Architects	_____ Tradespeople/contractors	_____ Roofers
_____ Engineers	_____ Skilled Craftspeople	_____ Foundation supply/repair
_____ Architectural Historians	_____ Electricians	_____ Local Vendors of Products
_____ Tax or Financial Consultants	_____ Plumbers	_____ Other

2. Estimate the state, local and property tax increase represented by the completed rehabilitation:

State tax: _____ Local tax: _____ Property tax: _____

3. List any additional incentives, grants or contributions by federal, state or local governments used for the rehabilitation by source and dollar amount. If more space is needed, continue on a second page.

_____	_____	_____
_____	_____	_____

4. Select the public benefit of the rehabilitated Qualified Residence:

- ☐ The residence is associated with a major event ☐ The residence embodies distinctive characteristics
☐ The residence yields or may yield information. ☐ The residence is associated with a significant person
☐ The residence is a contributor to a historic district associated with one or more of the criteria above.

CTCAC Official Use Only Section 5

The applicant has provided the cost certification documentation required to receive (20%)(25%) of the certified Qualified Rehabilitation Expenditures (QREs) as declared in Number 4. Projects with QREs in excess of \$250,000 have certification issued by a licensed certified public accountant.

Remit fee to CTCAC within 10 days after receiving notification of OHP transfer to CTCAC.

Tax credit amount approved: _____

Administrative Fee: _____

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Date _____

Executive Director, CTCAC

CTCAC

SECTION 5 COST CERTIFICATION DOCUMENT

	QUALIFIED RESIDENCE COST	COMMERCIAL COST	TOTAL PROJECT COST	QUALIFIED REHABILITATION EXPENDITURES (QRE)
PROJECT COSTS				
REHABILITATION				
ARCHITECTURAL FEES				
CONSTRUCTION INTEREST & FEES				
PERMANENT FINANCING AND FEES				
LEGAL FEES				
APPRAISAL				
TOTAL PROJECT COSTS				
OTHER PROJECT COSTS				
CTCAC PROCESSING/ADMIN FEES				
Permit Processing Fees				
Capital Fees				
Furnishings				
Accounting/Reimbursables				
Other: (Specify)				
Other: (Specify)				
Other: (Specify)				
Other: (Specify)				
TOTAL OTHER PROJECT COSTS				
TOTAL ALL PROJECT COSTS				

Certification by Owner/Applicant

As owner(s) or applicant of the above-referenced project, I certify under penalty of perjury, that the project costs contained herein are, to the best of my knowledge, accurate and actual costs associated with the rehabilitation of this project. I authorize the California Tax Credit Allocation Committee to utilize this information to calculate the State Historic Rehabilitation Tax Credit.

Signature of Owner/Applicant

Date

Printed name of Signatory

Certification by licensed certified public accountant

As the tax professional for the above-referenced project, I certify under penalty of perjury, that the costs and QRE are accurate as listed in this Cost Certification.

Signature of licensed certified public accountant

Date