

Historic Preservation Tax Credit Program

FY 2023 application workshop

April 14, 2022



Nichole Hansen, Community Investments Team Leader

Agenda for Today

- » Program updates/ overview
- » Spring 2022 registration round
- » Registration process & timeframe
- » Review criteria for registration
- » Post registration & next steps
- » Q & A

Iowa Historic Preservation Tax Credit program



Program Updates

- » Staffing update- Richard Bell joined IEDA as our Tax Credit Program Manager on April 4th.
- » Richard will be managing the Workforce Housing Tax Incentive and Historic Preservation Tax Credit programs.
- » Contact information:
Richard.Bell@iowaeda.com or 515.348.6212

Historic Preservation Tax Credit program

- » Program provides tax incentives to developers for the redevelopment & rehabilitation of historic properties in Iowa
- » IEDA administers project in partnership with the State Historic Preservation Office (SHPO)
- » May be used for residential, commercial or mixed-use developments

Historic Preservation Tax Credit program

- » Properties must be historically significant, as determined by SHPO.
 - 4 ways to qualify: <https://www.iowaeda.com/historic-preservation-tax-credit/>

- » Project must include substantial rehabilitation
 - If commercial, qualified rehabilitation expenditures must equal at least 50% of building value before land or \$50,000, whichever is less
 - If building is not commercial, qualified rehabilitation expenditures must equal at least 25% of building value before land or \$25,000, whichever is less

- » Rehabilitation work must meet federal *Secretary of Interior's Standards for Rehabilitation*

Historic Preservation Tax Credit program

- » Developers may receive a state income tax credit of up to 25% of the qualified rehabilitation expenditures (QREs) associated with the project
 - Defined in Section 47 of the IRS Code- [26 U.S. Code § 47 - Rehabilitation credit | U.S. Code | US Law | LII / Legal Information Institute \(cornell.edu\)](#)
 - Generally include expenditures related to structural components of the building and some soft cost that can be charged to a capital account.
 - QREs do not include those expenditures financed by federal, state, or local government grants or forgivable loans unless otherwise allowed under Section 47 of the Internal Revenue Code.

Application process

- » Part 1- determine building's historical significance (SHPO)
- » Part 2- Evaluate proposed scope of work for Secretary of Interior Standards compliance. (SHPO)
- » Part 2B- Application for tax credits (IEDA & SHPO)
 - Large vs. small projects (\$750k threshold)
- » Part 3- Project close out & tax certificate issuance - financial review and review of completed work. (IEDA & SHPO)

Spring 2022 registration round

- » Part 2B Registration applications are submitted through IowaGrants.gov
 - All other Parts 1 and 2 for All Projects will continue in CACTAS
 - All projects submit Parts 2B and Part 3 applications into lowagrants

- » Registration process and scoring similar to previous rounds
 - Scored and competitively ranked
 - Criteria A
 - Criteria B- if necessary

Spring 2022 registration round

- » Supporting documentation required for all applications
- » Applications require completion of a QRE Schedule and Financing Sources Tool Sheet- *This is the budget in lowagrants.gov.*
- » Change to budget in lowagrants.gov and where supporting documentation is uploaded

Spring 2022 registration round

- » Application is available now at www.iowagrants.gov.
- » Applications are due at 11:59 P.M. on July 15, 2022
- » Approximately \$21 million in credits available
- » Extremely competitive- typically able to award 40% of applications submitted depending on size of projects

Spring 2022 registration round

- » MUST have approved Part 2 to apply for registration prior to deadline.
- » Applications accepted through the Iowa Grants system:
<https://iowagrants.gov>
- » Must set up an iowagrants.gov account to complete application. Registration instructions at the link above.



Log In

Welcome to IowaGrants.gov

Iowa's Funding Opportunity Search and Grant Management System

FUNDING OPPORTUNITIES OFFERED BY IOWA STATE AGENCIES

[Grant Opportunities](#)

[Loan Opportunities](#)

[Bids/Purchases](#)

[Licenses/Permits](#)

You do not need to register for Search access.

ELECTRONIC GRANT MANAGEMENT SYSTEM

Iowa Grants.gov allows you to electronically apply for and manage grants received by the state of Iowa. Persons accessing the system for this purpose are required to register.

[Returning Users Sign In Here](#)

[New Users Register Here](#)

[\(Registration Instructions\)](#)

273443 - Historic Building Name (as shown in CACTAS)-test
Historic Preservation Tax Credit

Status: Submitted

Submitted Date:

Submitted By:

Applicant Information

Primary Contact:

AnA User Id

DON.DURSKY-EXTERNAL2@IOWAID

First Name*

Don

First Name

Middle Name

Dursky2

Last Name

Title:

Email:*

ddursky@gmail.com

Address:*

200 E. Grand Ave.

City*

Des Moines

City

Iowa

State/Province

50309

Postal Code/Zip

Phone:*

515-360-9948

Phone

Ext.

Program Area of Interest*

CDBG

Fax:

Agency

Economic Development, Iowa Department of

Organization Information

Organization Name:*

Iowa Economic Development Authority

Organization Type:*

State Government

DUNS:

Unique Entity Identifier (UEI)

Organization Website:

www.IowaEconomicDevelopment.com

Address:

1963 Bell Ave., Suite 200

Phone:

Des Moines
City
515-348-6200

Iowa

State/Province

50315

Postal Code/Zip

Ext.

Fax:

Benefactor

Vendor Number

Cover Sheet-General Information

Authorized Official

Name* Jane Doe
Title* Dr
Organization* Doe Properties Inc
If you are an individual, please provide your First and Last Name.
Address* 200 East Grand Ave

City/State/Zip* Des Moines Iowa 50309
City State Zip
Telephone Number* 555-555-5555
E-Mail* jdoe@doeprop.com

Fiscal Officer/Agent

*Please enter the "Fiscal Officer" for your Organization.
If you are an individual, please provide your First and Last Name.*

Name* Jane Doe
Title
Organization
Address

City/State/Zip Iowa
City State Zip
Telephone Number
E-Mail

County(ies) Participating, Involved, or Affected by this Proposal* Polk County

To find your district, click on the "Congressional Map" link. On the left hand side of the page, click on the drop-down list and click on "State of Iowa". Then, enter an address for the county/ies you serve in the Search bar. Click "Enter." This will provide you with your Congressional District, Iowa Senate District and Iowa House District.

Congressional District(s) Involved or Affected by this Proposal* 3rd - Rep Cindy Axne
[Congressional Map](#)

Iowa Senate District(s) Involved or Affected by this Proposal* 1
[Iowa Senate Map](#)

Iowa House District(s) Involved or Affected by this Proposal* 1
[Iowa House Map](#)

Contact Information

Primary Contact

Ms.

Salutation

Jane

First Name

Doe

Last Name

Doe Properties Inc
Organization

200 East Grand
Address

Des Moines

City

Iowa

State

50309

Zip Code

555-555-5555

Phone

jdoe@doeprop.com

Email

LLC

Business/Organization Type

XX-0000009

FEIN/SSN

Project Manager

Mr.

Salutation

John

First Name

Alias

Last Name

Alias Historic Consulting
Organization

555 1st St
Address

Des Moines

City

Iowa

State

50309

Zip Code

555-555-5555

Phone

jalias@aliasconsulting.com

Email

Consultant

Relationship to Owner

Project Information

Project Information

Old Warehouse

Project Name

Project Type:

09/03/2018

Anticipated Start Date

11/06/2020

Anticipated End Date

Has the project started?

State Tax Credit Number
(STC from CACTAS)

STC19-00-000

CACTAS Application ID:

This number is found in CACTAS below the STC number.
This number is entered by the TEDA Project Manager.

Please provide a project description and
description of the property's end use
(2,500 characters max.)

Vacant warehouse rehabilitation for multi residential units

Is the project complete?

No

"Complete" means a certificate of occupancy has been issued.

Building Information

Building Information

Acme Warehouse

Historic Building Name

555 2nd St

Address

Des Moines

City

Iowa

State

50309

Zip Code

Polk County

County

555555-555-555

Parcel Number(s)

19220

Year(s) Building Constructed

Warehouse

Building Use Before Project

Residential (Market Rate)

Building Use After Project

12000

Total Square Feet

2

Stories Above Grade

120000

Square Feet Above Grade

\$1.00

Assessed Value of Property (Immediately prior to project start)

Is the property exempt from property tax
under State Historic Property Tax
Exemption?

No

Have property taxes been abated on
property?

No

Property Metrics

Residential Space (Market Rate Only)		12000
	Current	Anticipated
Residential Space (Low-income Only)		
	Current	Anticipated
Retail Space		
	Current	Anticipated
Restaurant/Bar Space		
	Current	Anticipated
Office Space		
	Current	Anticipated
Warehouse Space	12000	
	Current	Anticipated
Manufacturing Space		
	Current	Anticipated
Educational/Museum/Library Space		
	Current	Anticipated
Hotel or Other Lodging Space		
	Current	Anticipated
Parking Spaces		
	Current	Anticipated
Vacant Spaces		
	Current	Anticipated
Other Spaces		
	Current	Anticipated

Fund Sources

NOTE: Developer or investor equity included in the budget must be documented through 1) a signed letter of commitment from the developer/investor containing the dollar amount committed and 2) information from a bank, financial institution or third party accountant that clearly demonstrates the committed equity is unencumbered and available for this project.

Please note: Any Deferred Developer Fee documentation must be provided but will not count toward the percentage of financing secured.

Source	Status	Amount	Readiness Amount	Supporting Documentation
Private Financing Sources	None	\$0.00	\$0.00	_Test IAGraants.txt
Construction Loan				
Other Loans	None		\$0.00	\$0.00
Developer Equity	None		\$0.00	\$0.00
Investor Equity	None		\$0.00	\$0.00
State HTC Equity	None		\$0.00	\$0.00
Federal HTC Equity	None		\$0.00	\$0.00
Brownfield/Redevelopment Tax Credit Equity	None		\$0.00	\$0.00
Workforce Housing Tax Credit Equity	None		\$0.00	\$0.00
LIHTC Equity	None		\$0.00	\$0.00
Other Private Financing (describe source below)	None		\$0.00	\$0.00
TOTAL PRIVATE FUNDS	\$0.00			\$0.00
Public Financing Sources	None		\$0.00	\$0.00
Historic Preservation Tax Credit				
HRDP Grant	None		\$0.00	\$0.00
Brownfield/Redevelopment Grant	\$0.00			\$0.00
Brownfield/Redevelopment Tax Credit	\$0.00			\$0.00
Workforce housing Tax Incentive - Tax Credit	\$0.00			\$0.00
Workforce housing Tax Incentive - Sales & Use Refund	\$0.00			\$0.00
Housing Enterprise Zones - Tax Credits	\$0.00			\$0.00
Housing Enterprise Zone - Sales & Use Refund	\$0.00			\$0.00
LIHTC - Tax Credits	\$0.00			\$0.00
Reinvestment District/TIF Funds	\$0.00			\$0.00
Local Grants	None		\$0.00	\$0.00
Other Public Funds (describe source)	None		\$0.00	\$0.00
Total Public Funds	\$0.00			\$0.00
Total Project Financing	\$0.00			\$0.00

Use of Funds	Total Amount	State QRE Amount
Work on/in eligible property		
Demolition	\$8.00	\$1.00
Addition	\$9.00	\$0.00
Concrete	\$10.00	\$2.00
Masonry	\$11.00	\$3.00
Metals	\$12.00	\$4.00
Rough carpentry	\$13.00	\$5.00
Finish carpentry	\$14.00	\$6.00
Thermal and moisture protection (roofing, siding)	\$15.00	\$7.00
Door and windows	\$16.00	\$8.00
Finishes(wall, ceiling, etc.)	\$17.00	\$9.00
Floor finish	\$18.00	\$10.00
Carpeting	\$19.00	\$11.00
Conveying system (elevator)	\$20.00	\$12.00
Mechanical (plumbing, HVAC)	\$21.00	\$13.00
Electrical	\$22.00	\$14.00
Construction fees and permits	\$23.00	\$15.00
Acquisition Costs		
Land Acquisition	\$1.00	\$0.00
Building Acquisition	\$2.00	\$0.00
Sitework		
Site grading & excavation	\$3.00	\$0.00
Concrete	\$4.00	\$0.00
Landscaping, surface parking, roads, walks	\$5.00	\$0.00
Site Utilities	\$6.00	\$0.00
Non-eligible buildings		
Demolition	\$7.00	\$0.00
New Construction	\$1,000.00	\$0.00
Other Depreciable Property		
Equipment	\$24.00	\$0.00
Fixtures	\$25.00	\$0.00
Furnishings	\$26.00	\$0.00
Other	\$27.00	\$0.00
Professional Fees		
Architect	\$28.00	\$16.00
Engineer	\$29.00	\$17.00
Design	\$30.00	\$18.00
Attorney	\$31.00	\$19.00
Accountant	\$32.00	\$20.00
Historic Preservation Consultant	\$33.00	\$21.00
Appraisal	\$34.00	\$22.00
Market Study	\$35.00	\$23.00
Environmental Report	\$36.00	\$24.00
Construction Management	\$37.00	\$25.00
Cost Certification	\$38.00	\$26.00
Other Project Consultant	\$39.00	\$27.00
Tax Credit Application Fees		
SHPO fees	\$40.00	\$0.00
NPS fees	\$41.00	\$0.00
Other Tax Credit application fees	\$42.00	\$0.00
Developer Fees		
Developer Fees	\$43.00	\$28.00
Fees to General Partner	\$44.00	\$29.00
Interim Financing Costs and Taxes		
Construction Interest	\$45.00	\$30.00
Construction Loan Fee	\$46.00	\$31.00
Insurance, Title, Recording, etc.	\$47.00	\$32.00
Property Taxes(during construction)	\$48.00	\$33.00
Other (describe below)	\$49.00	\$34.00
Permanent Financing		
Permanent Loan Fees	\$50.00	\$0.00
Other (describe below)	\$51.00	\$0.00
Start-up Expenses		
Organizational Expenses	\$52.00	\$0.00
Marketing	\$53.00	\$0.00
Other (describe below)	\$54.00	\$0.00
Syndication Expenses		
Syndication Legal Fees	\$55.00	\$0.00
Tax Opinions	\$56.00	\$0.00
Other Fees	\$57.00	\$0.00
Other & Special Construction		
Tenant Relocation Costs	\$58.00	\$0.00
Total Project Costs	\$2,711.00	\$595.00

Required Uploads

[Create New Version](#) | [Mark as Complete](#) | [Go to Application Forms](#)

Attachment	Description	File Name	Type	File Size	Date Uploaded	Delete?
Release of Information Download form here						
Development Agreement (if development fees are being claimed)						
Construction Schedule Must identify duration of major scopes and any critical path activities potentially requiring SHPO or NSP Review.						
Documentation of Ownership						
Life Safety Code Documentation						
CED map and showing location of building OR Great Places contract specifically mentioning project						
Documentation showing current permanent jobs and projected number of jobs (if applicable)						
Optional Documents						
Memo describing why public financing is eligible to be included in QREs Note: If no explanation is included, public financing will not be included in QRE's and tax credit award will be reduced accordingly.						

Spring 2022 registration round

- » Application includes a section to self score the application
- » Designed to give applicants an idea as to how the application may be scored by IEDA/ SHPO staff and review scoring criteria.
- » Asked to self score on Criteria A and Criteria B (tiebreaker criteria)

Scoring Criteria A

Criteria A: Rehabilitation Planning & Project Readiness	Max Points (120)	Review
Rehabilitation Planning	10	SHPO
Secured Financing	30	IEDA
Local Government Participation and Support	10	IEDA
Anticipated Rehabilitation Timeline	30	SHPO
Life Safety Code Review	10	SHPO
Ownership	30	IEDA

Rehabilitation Planning

Maximum 10 points

- **10 points:** Part 2 Application approved *without* conditions
 - SHPO will verify that there are no conditions on the project

- **0 points:** Part 2 Application approved *with* conditions
 - SHPO will verify that there are conditions on the project

Secured Financing

Maximum 30 points

Weighted preference for applicants who have financing and/or equity in place and are ready to begin development immediately.

Scoring

30 points	91% or more of financing in place
25 points	90% to 81% of financing in place
20 points	80% to 71% of financing in place
15 points	70% to 61% of financing in place
10 points	60% to 51% of financing in place
5 points	50% to 41% of financing in place
0 points	40% or less of financing in place

Documentation Required For Financial Sources scoring

- Documentation of all financing sources for the project.
- Development Agreement and ANY source of Equity
- Equity must be documented by a third party (bank/ CPA). Must identify amount available and that equity is available and unencumbered

Secured Financing Documents

- **Term Sheet: 25%**
 - Document identifying interest with general conditions outlined
- **Commitment Letter: 50%**
 - Letter outlining approval and general conditions
 - Amounts, Dates, Time Period
- **Executed Loan Agreement: 100%**
 - Contract

Local Government Participation and Support

Maximum 10 points

- **10 Points:** Financial Commitment
Letter with financial amount/conditions
- **5 Points:** Resolution of support
- **3 Points:** Letter of support
- **0 Points:** No indication of support

Documentation Required For Local Government Participation and Support

- **Financial Commitment:** Provide documentation of commitment from a jurisdiction and/or county that meets the Secured Financing Qualifications
- **Resolution of Support:** Provide a resolution/ordinance from the local jurisdiction or county's governing body (e.g. city council, board of supervisors etc.) and dated within one year of the date this application was submitted that identifies the project by name as a high priority initiative for future development in the community.
- **Letter of Support:** Provide a letter from the local jurisdiction, historic preservation commission, or county. The letter should be signed by a local elected official or administrators of planning, economic development or community development chair of a county or city historic preservation commission.

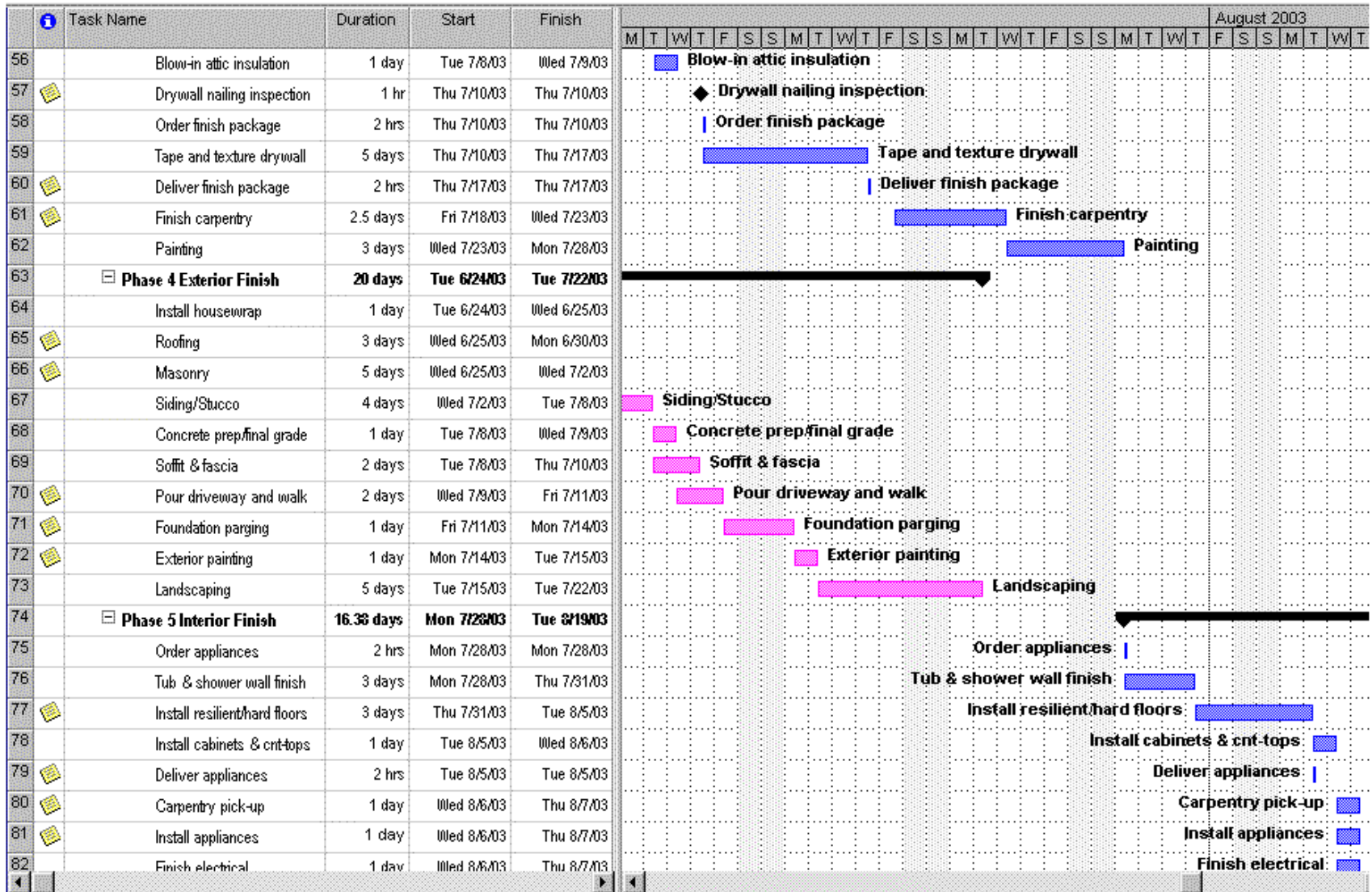
Anticipated Rehabilitation Timeline

Maximum 30 points

- **30 Points:** If construction is substantially complete as of close of Registration Submission Period
- **20 Points:** If construction substantially complete within 6 months of close of Registration Submission Period
- **15 Points:** If construction substantially complete within 18 months of close of Registration Submission Period
- **10 Points:** If construction substantially complete within 36 months of close of Registration Submission Period

Documentation Required For Anticipated Rehabilitation Timeline

- **Construction Schedule:** Provide construction schedule identifying duration of major scopes and any critical path activities potentially requiring Part 2 Amendments requiring SHPO review.



Life Safety Code Review

Maximum 10 points

- **10 Points:** Project has building permit issued by Authority Having Jurisdiction (AHJ)
- **8 Points:** Project has preliminary building permit comments & plans are submitted for final review
- **5 Points:** Project has preliminary building permit comments from AHJ
- **2 Points:** Project has preliminary building permit review meeting scheduled with AHJ

Documentation Required For Life Safety Code Review

- **10 Points:** Copy of building permit issued by AHJ
- **8 Points:** Copy of building permit comments by AHJ and date of submittal for final review
- **5 Points:** Copy of preliminary building permit comments from AHJ
- **2 Points:** Date of scheduled preliminary building permit review meeting and contact information for AHJ

Ownership

Maximum 30 points

- **30 Points:** Applicant who is the fee simple owner or is a qualified lessee
- **20 Points:** Applicant has a purchase agreement
- **2 Points:** Applicant will qualify for the federal credit

Iowa Code 404(A) and Iowa Administrative Code 223—48

Ownership

Maximum 30 points

- Applicant who is the fee simple owner (30 pt.)
 - Copy of deed, or fully executed closing documents
- Applicant who is a qualified lessee (30 pt.)
 - permission letter from fee simple owner
 - copy of the qualified lease agreement
- Applicant who has a purchase agreement (20 pt.)
 - permission letter from fee simple owner
 - a statement by the applicant
 - copy of contract to purchase
- Applicant who will qualify for the federal credit (2 pt.)
 - permission letter from fee simple owner
 - a statement by the applicant

Iowa Code 404(A) and Iowa Administrative Code 223—48

Criteria B. Economic and Preservation Priorities

Statewide Economic Priorities - CED/GP

If the project is located in a CED, upload a map to Required Documents showing the CED and the location of the building within the CED. If the project is part of a Great contract, upload the contract and highlight the portion which specifically mentions the project.

Scoring:

10 Points - Yes

0 Points - No

Is the project located in Cultural and Entertainment District or is specifically mentioned in a current Great Places contract? Yes

Total Points 10.0

Statewide Economic Priorities - Jobs

If the project will create 500 or more permanent jobs upon completion, upload to Required Documents documentation showing the current permanent jobs on the property projected number of jobs two years after the tax credit is issued.

Scoring:

25 Points - Yes

0 Points - No

Will the project create 500 or more jobs upon completion? No

Total Points 0

Preservation of Rural Resources & Geographic Diversity

Scoring:

Points 9 - Under 20,000

Points 8 - 20,001 - 49,999

Points 6 - 50,000 - 99,999

Points 4 - 100,000 - 199,999

Points 1 - Over 200,000

Community population 20,001 - 49,999

Total Points 8.0

Total Points 82.0

Criteria B. Economic and Preservation Priorities

Total Points 18.0

Application reminders

- » Please ensure applications are correct and complete before submitting.
- » Once submitted, applications may not be corrected.
- » IEDA/SHPO may ask for clarification on submitted information; please respond to requests in a timely manner.
 - » Only criteria where documents have been submitted will have clarification requested. If no documentation or information is provided, the application will be scored as is.

Application review

- » Applications are scored and credits awarded until exhaustion in descending order.
- » Applicants will be informed of decision through award or decline letters. Will be send electronically.
 - » Please ensure emails are accurate!
- » IEDA will issue a press release announcing all registered projects (will be sent to media and available on IEDA website)

Application review timeline

- » Applications for registration accepted until 11:59:59 PM on July 15th.
- » IEDA & SHPO to complete scoring applications and meet to discuss scores and pending applications
- » Final award recommendations, based on scores, will be taken for review and approval by the IEDA Director.
- » Review process to take 30-45 days. Awards to be announced mid to late August.

Next steps

- » Projects that are registered should receive an award letter from IEDA within 14 days of award announcement
- » Projects should receive a contract from IEDA within 30 days of award announcements
- » Review/sign documents and return as directed.

Next steps

- » Awarded projects will be managed through lowagrants.gov.
- » IEDA close out documentation and other project related documents will be submitted through this account.
- » Application, award letter, contract and correspondence maintained in this system.

Thank you for your time!