

A Few Examples of Non-Qualifying Costs

Renovation - A modernization of a historic building in which alterations are made and important features and details are eliminated.

- Acquisition costs
- Additions
- Appliances
- Cabinets
- Carpeting
- Decks (not part of original building)
- Demolition costs
- Enlargement costs
- Fencing
- Feasibility studies
- Financing fees
- Furniture
- Landscaping
- Leasing Expenses
- Parking lot
- Paving
- Planters
- Porches and Porticos additions (not part of the original building)
- Retaining walls
- Sidewalks
- Signage
- Storm sewer construction costs
- Window treatments
- Outdoor lighting remote from building
- Other features which the Historic Commission believes to be similar in nature
- Moving (building) cost (if part of acquisition)

BE SURE TO ACT FAST!

These incentives are based on a first-come, first served basis. Applications will be available beginning October 1, 2013. The tax incentive is transferrable with the house provided that the house is maintained by the owner.

For more information, please contact Jerry Barker - Historic Preservation Officer at 254-582-2119 or e-mail jbarker@hillsborotx.org. Also visit us online at www.hillsborotx.org

Q: How do I know if my property is located in the District?

A: The District encompasses the City's downtown Central Business District and the residential district encompasses the area primarily designated by the National Register of Historic Places. To view a map of the Districts or, for a list of properties in the Districts, contact the Community Development Department at 254-582-2119

Q: What type of work requires the Commission's review and approval?

A: Though not an exhaustive list, the following work generally requires the Commission's approval if visible from a public view (even if obstructed by landscaping): erecting a building or structure; altering one or more exterior architectural features of a building or structure (e.g., replacing windows); and demolishing or removing a building or structure. (Structures include fences, signs, and walls.) You are advised to check with the City's Community Development Department before proceeding with any proposed work to determine if it requires the Commission's approval from the Hillsboro Preservation Commission.

Q: Is there any type of work that DOESN'T require the Commission's review and approval?

A: Yes, there is nothing in the ordinance that prevents the property owner from performing ordinary maintenance and in-kind repairs or replacement of any exterior architectural feature of a historic landmark or property within a historic district which does not involve a change in design, material, similar color scheme or outward appearance visible from a public right of way; design of the feature; the installation of mailboxes; interior building alterations; and the replacement of certain types of roof shingles. The Community Development Department is authorized to issue a stop work order if the owner's planned activity exceeds ordinary maintenance and repair. Please check with the Community Development Department before proceeding with any proposed work to determine if it requires the Commission's approval.

Q: If the work I'm proposing requires the Commission's review and approval, what do I need to do?

A: You'll need to obtain from the Commission a Certificate of Appropriateness (Certificate), which represents the Commission's formal approval of work proposed to be undertaken on a property located in the District.

Q: How do I go about obtaining a Certificate?

A: In order for the Commission to review and decide upon the appropriateness of the work you're proposing, you'll need to file an application for a Certificate with the City's Community Development Department. Its staff serves as the Commission's administrative arm and is responsible for processing all Commission applications. They can provide you with the necessary application form, offer assistance and advice, and try to answer your questions about the application submission, review and approval process.

Hillsboro Historic Tax Incentive Program



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What is the Tax Incentive Program?

The purpose of the Tax Incentive program is to encourage historic preservation by providing tax incentives for the renovation and rehabilitation of properties, which are within a historic district or designated as landmarks; A particular site that has been designated a historically significant site in need of tax relief to encourage its preservation; and Lastly, any building or structure that has been substantially rehabilitated and/or restored as authorized by the Hillsboro Preservation Commission.

The period of tax abatement for a building or structure may run concurrently. Property owners with more than one historic landmark or structure within a historic district may be eligible for multiple abatements. Eligible projects that meet the established criteria shall be entitled to the following municipal tax incentives:

- **Level 1:** the appraised increase in value caused directly by eligible improvements completed pursuant to a Certificate of Appropriateness shall not be added to the appraised tax value of the building or structure for municipal tax purposes for a period of three (3) years when the property owners expend \$5,000 - \$10,000 on an eligible project;
- **Level 2:** the appraised increase in value caused directly by eligible improvements completed pursuant to a Certificate of Appropriateness shall not be added to the appraised tax value of the building or structure for municipal tax purposes for a period of five (5) years when the property owners expend \$10,000 - \$15,000 on an eligible project;
- **Level 3:** the appraised increase in value caused directly by eligible improvements completed pursuant to a Certificate of Appropriateness shall not be added to the appraised tax value of the building or structure for a period of seven (7) years when the property owners expend \$15,000 - \$20,000 on an eligible project;
- **Level 4:** the appraised increase in value caused directly by eligible improvements completed pursuant to a Certificate of Appropriateness shall not be added to the appraised tax value of the building or structure for municipal tax purposes for a period often (10) years when the property owners expend \$20,000 or more on an eligible project;

What are the Qualifying Criteria for the Tax Incentive Program?

Applicants must meet the qualifying criteria listed below (A - D)

All work must fall into one or more of the following categories:

Preservation - The act or process of applying measures to sustain the existing form, integrity and material of a building or structure.

Restoration - The act or process of accurately recovering the form and details of a property and its setting as it appeared at a particular period of time by means of the removal of later work or by the replacement of earlier work.

Rehabilitation - The act or process of returning a property to a state of utility through repair or alteration which makes possible an efficient contemporary use while preserving those portions or features of the property which are significant to its historical, architectural, and cultural values.

Reconstruction - The act or process of recreating a portion of a building, in all new materials based on factual evidence such as photographs.

B. Qualifying costs must equal or exceed a formula rate of the taxable value of the home as determined by the Hill County Appraisal District (HCAD) at the time of application for a Certificate of Eligibility. Qualified costs are those costs that are directly related to correcting and preventing structural defects and/or extending the life of the structure.

C. The property must be a home either land-marked by the Historic Preservation Commission or at least 50 years old, and located within Hillsboro's Historical Districts.

D. Preservation, restoration, rehabilitation or reconstruction projects requiring a Certificate of Appropriateness will need the approved C of A before any financial incentive can be approved.

A Few Examples of Qualifying Costs

Structural work - Only projects that retain or restore the historic integrity of the home through the use of proper design qualify for the incentive.

Example: Foundation repair, original frame and beam repair.

Restoration, repair, or replacement of siding and/ or trim, windows and/ or doors (painting included) with like materials - Only projects that retain or restore the historic integrity of the home through the use of proper materials and design qualify for the incentive.

Example: replacing wood siding with aluminum or vinyl siding or the replacement of historic wood windows with vinyl or metal windows would not qualify.

Restoration of existing historic porches and porticos - However, rebuilding a porch that was original on the house but has since been removed would qualify for the incentive.

Plumbing and electrical repairs associated with structural work

Labor costs-this can include sweat equity.

Donated materials and services as long as all of said materials and labor are documented.

Design costs

Roof replacement associated with structural work or major rehabilitation projects.

Exterior painting - Large scale painting of historic homes would qualify so long as they meet the threshold amount.