



**Ohio**

---

# Historic Preservation

---

## Tax Credit

### Program Policies

Updated August 2020

### Table of Contents:

1. DEFINITIONS .....	1
2. ELIGIBLE APPLICANTS.....	1
3. APPLICATION SCHEDULE AND PROCEDURES .....	3
4. APPLICATION SCORING .....	6
5. SELECTION OF APPROVED APPLICATIONS.....	6
6. CATALYTIC PROJECTS.....	8
7. AMENDMENTS .....	8
8. TAX CREDIT CERTIFICATION .....	9
9. FEE SCHEDULE.....	12
10. MONITORING AND REPORTING .....	12

## 1. Definitions

1.1. Except as otherwise provided, terms used in this document have the same meaning as Section 122:19-1-01 of the Ohio Administrative Code and Section 149.311 of the Ohio Revised Code.

## 2. Eligible Applicants

### 2.1. Eligible Applicants

- An eligible Applicant must be either:
  - The owner of a Historic Building holding the fee simple interest in the building. Ownership must be recorded by the applicable county recorder. Evidence of fee simple ownership can be demonstrated through providing the following documents:
    - Deed for the property or County auditor’s card for all parcels.
    - Executed sale and purchase agreement for all parcels if the property was sold recently and a deed is not yet available. A deed or county auditors card will need to be provided to demonstrate the sale when it becomes available.
    - Executed closing documents for all parcels (settlement sheets); or
  - A Qualified Lessee subject to a lease agreement for a Historic Building and eligible for the federal historic preservation tax credit under 26 U.S.C. 47. Evidence of a

qualified lease can be demonstrated by providing an executed lease agreement for a term equal to or exceeding the lease term requirements under 26 U.S.C. 47(c)(2)(B)(vi), which requires a minimum of 27.5 years for residential rental property and 39 years for nonresidential real property.

- The Applicant must be the owner or Qualified Lessee of the Historic Building at the time the application is filed. An application which does not meet this requirement will be deemed ineligible and will not be scored.

## **2.2. Eligible Projects**

- Projects must meet the following requirements to be eligible:
  - Meet the definition of a Historic Building as outlined in section 149.311 (A) (1) of the Ohio Revised Code;
  - Upon completion of the rehabilitation work proposed in the application, the Historic Building will not function as a single-family or multi-unit condominium residential property; and
  - For state only applications, the Historic Building included in the application is at least fifty years old; it encloses a space within its walls, usually covered by a roof, the purpose of which is principally to shelter human activity; and it is comprised of at least 65% extant exterior walls that are original and historic, including the historic primary façade.
- Consistent with federal regulation 36 C.F.R. 67, dated February 26, 1990 or any successor to that section, a Project may include more than one building, such as an industrial or agricultural complex, provided there is historical evidence that the buildings functioned together during their time period of significance to serve an overall purpose.
- Row houses that were designed and constructed as a single building or complex shall be considered a single Project provided the Applicant owns each building included in the application.
- A Project may include more than one Historic Building if the Historic Buildings are in close proximity within the same neighborhood and jurisdiction, the Historic Buildings will have the same primary end use, and the rehabilitation activities and costs are undertaken by the same Applicant. The Applicant must document common ownership or proof of leaseholder interest at the time of application. Each Historic Building in a multiple building project is subject to the eligibility requirements of a single Historic Building as outlined in section 149.311(A)(1) and must be rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation. Projects seeking Ohio Historic Preservation Tax Credits (OHPTC) may not, as part of their project scope, propose work to an adjacent contributing historic building that violates the Secretary of the Interior's Standards for Rehabilitation so as to benefit the building for which OHPTC credits are being sought. If any building(s) in a multiple building application is ruled ineligible, qualified rehabilitation expenditures cannot be claimed from rehabilitation of the building(s) ruled ineligible.
- If an application has already been approved for a portion of a Historic Building and the Project has not received approval of a federal Part 3 or, for a state only application, the same information presented with the request for certification, additional applications may be submitted for the same Historic Building if the following requirements are met:
  - The total amount of tax credits between all applications for one Historic Building must not exceed \$5,000,000.

- Development impacts from the rehabilitation of the Historic Building may only be leveraged once for purposes of competitive scoring.
- Additional applications must define a Project that is mutually exclusive of previously approved applications and must be limited to a physical portion of the Historic Building (e.g. different floors or separate wings of a building).
- Historic approvals necessary for certification must be received for all applications approved for a Historic Building prior to the issuance of a tax credit certificate for any application.
- If an application has already been approved for a Historic Building and an Applicant wishes to submit a replacement application, replacement applications may be submitted for the same, entire Historic Building if the following requirements are met:
  - The Applicant submits a letter withdrawing the approved application, conditional upon approval of the replacement application.
  - The replacement application meets the eligibility requirement set forth in section 5.8 of this document.

### 3. Application Schedule and Procedures

- 3.1. The Ohio Development Services Agency (“Development”) will accept applications on a semi-annual schedule each fiscal year.
- 3.2. Distinct application review and approval periods shall be referred to as rounds. Round 1 refers to all applications approved on or before May 9, 2008. The first round in fiscal year 2012 will be Round 7 and additional rounds will be numbered consecutively.
- 3.3. The following dates will serve as rounds for the Application Periods for each fiscal year:
  - **Annual Fiscal Year Application Periods**
    - **First Round of Fiscal Year (July 1– December 31)**
      - Application Submission Period – July 1<sup>st</sup> – September 30<sup>th</sup>
      - SHPO Pre-App Meeting Request Deadline: July 31<sup>st</sup> by 5:00
      - Intent to Apply and SHPO Pre-Application Meeting Deadline – August 15<sup>th</sup> by 5:00
      - Part 1/Part 2 Submission Deadline to SHPO – August 31<sup>st</sup> by 5:00
      - Application/Fee Submission Deadline – September 30<sup>th</sup> by 5:00
      - Application Review Period – October 1<sup>st</sup> – December 1<sup>st</sup>
      - Approved Applicants Announced - December 30<sup>th</sup>
    - **Second Round of Fiscal Year (January 1– June 30)**
      - Application Submission Period – January 1<sup>st</sup> – March 31<sup>st</sup>
      - SHPO Pre-App Meeting Request Deadline: January 31<sup>st</sup> by 5:00
      - Intent to Apply and SHPO Pre-Application Meeting Deadline – February 15<sup>th</sup> by 5:00
      - Part 1/Part 2 Submission Deadline to SHPO– February 28<sup>th</sup> by 5:00
      - Application/Fee Submission Deadline – March 31<sup>st</sup> by 5:00
      - Application Review Period – April 1<sup>st</sup> – June 1<sup>st</sup>
      - Approved Applicants Announced - June 30<sup>th</sup>
- 3.4. The Applicant must schedule a pre-application meeting with the State Historic Preservation Office (“SHPO”) prior to submitting an application. Requests for pre-application meetings must be made to the SHPO prior to the first day of the second month of the application submission period (e.g. August 1<sup>st</sup> and February 1<sup>st</sup>). Pre-application meetings may be conducted in person, on-site when possible, or via conference call by the

- fifteenth day of the second month of the application submission period (e.g. August 15<sup>th</sup> and February 15<sup>th</sup>). Applicants must provide proof that a meeting was conducted with SHPO by the fifteenth day of the second month of the application submission period.
- 3.5. The Applicant must submit an Intent to Apply form through the Development website prior to 5:00 pm on the fifteenth day of the second month of the application submission period (e.g. August 15<sup>th</sup> and February 15<sup>th</sup>).
  - 3.6. The applicant must submit an application through the Development website following the instructions provided in the application instructions document released each round. Concurrently, the application fee must be submitted to the Ohio Development Services Agency, Office of Strategic Business Investments, 77 S. High Street, 28th Floor, Columbus, Ohio 43215.
  - 3.7. Applicants may revise online applications until 5:00 p.m. Eastern Time on the final day of the application submission period.
  - 3.8. Applications and application fees must be received by close of business (5:00 p.m. Eastern Time) on the final day of the application submission period. Any application and/or fee received after the last day of the application submission period will result in the application not being considered during the Application Period.
  - 3.9. The Applicant must submit the applicable Part 1 and 2 forms, as described in section 3.10-3.12 of this document, by 5:00 pm on the final day of the second month of the application submission period (e.g. August 31<sup>st</sup> and February 28<sup>th</sup>). Any application for which the applicable Part 1 and 2 forms are received after this deadline will not be considered during the Application Period. For combined federal and state applications, the federal Part 1 application form—Evaluation of Significance—must be completed in accordance with federal instructions, including the cover sheet, physical appearance and significance data and statements, and submitted by 5:00 pm on the final day of the second month of the application submission period (e.g. August 31<sup>st</sup> and February 28<sup>th</sup>) for all Historic Buildings included in a project scope except those which are single buildings individually listed on the National Register of Historic Places. For properties qualifying for Ohio Historic Preservation Tax Credits due to local landmark or historic district listing by a Certified Local Government (CLG), then, in addition to a preliminary federal Part 1 (which must include a draft National Register of Historic Places nomination form), the submission must include a copy of the signed and dated local ordinance establishing the individual listing or historic district listing and, if applicable, a statement from the local CLG official indicating that the property contributes to the significance of the local historic district. For all buildings within historic districts, the historic district map must be submitted, with the building clearly indicated. Required for all submissions are two sets of labeled photographs showing the building's site, setting, exterior and interior. The photographs must be keyed to existing conditions floor plans. For state only applications, the same description and significance information, with photographs and map, must be provided using the Ohio Parts 1 & 2 form. In both state only and combined federal-state applications, the CLG designation establishing the historic designation of properties within applications must be in effect as of the application deadline (i.e. March 31 or September 30).
  - 3.10. For combined federal and state applications, the federal Part 2 application form—Description of Rehabilitation—must be completed in accordance with federal instructions and submitted by 5:00 pm on the final day of the second month of the application submission period (e.g. August 31<sup>st</sup> and February 28<sup>th</sup>). At the time of submission, applications must include a completed signed cover sheet, brief project summary narrative, and detailed written descriptions of the project work. Descriptions of the before

and after rehabilitation appearances of the site and all interior and exterior features and systems of the building must be included. Although some project details may be provided at a later date if additional investigation is required (e.g. details of ceiling treatments for historic ceilings that are not yet exposed), the descriptive narrative must provide a substantive description of the rehabilitation work proposed. Also required are sets of labeled photographs showing the building's site, setting, exterior, and interior. The photographs must be keyed to existing conditions floor plans and referenced in the narrative. Drawings showing proposed work must accompany the application; construction level drawings are not required. For state only applications, the same rehabilitation information, with photographs and drawings, must be provided using the Ohio Parts 1 & 2 form.

3.11. Should an Applicant seek to utilize a Part 2 that was previously approved by the SHPO, the following additional information must be submitted under the deadlines and review process described in sections 3.9, 3.10, and 3.11 of this document:

- If the rehabilitation work and Applicant have not changed, the Applicant must submit a letter certifying that the rehabilitation work is unchanged.
- If the rehabilitation work and Applicant have not changed but the applicable Part 2 was approved by the SHPO more than two (2) years before the application submission deadline, the Applicant must submit to SHPO a letter certifying that the rehabilitation work is unchanged and updated photographs to verify the current condition of the Historic Building.
- If the Applicant has changed or the applicable Part 2 was approved by the SHPO more than five (5) years before the application submission deadline, the Applicant must submit a new applicable Part 2 form.
- If the proposed end uses or residential unit counts have changed, the Applicant must submit a Part 2 amendment or new Part 2 form. Applicants should contact the SHPO to determine if an amendment or new submission is required.
- If the Applicant wishes to propose other changes to the rehabilitation work during the Application Period, any new amendments or Part 2 submissions must be submitted under the deadlines and review process described in sections 3.9, 3.10, and 3.11 of this document.

3.12 Should an Applicant seek to utilize a Part 2 that had begun the review process by the SHPO but has not yet been approved, the following conditions apply:

- If the Part 2 was previously communicated by the SHPO to be materially insufficient or not reviewable, a new Part 2 must be submitted under the deadlines and review process described in sections 3.9, 3.10, and 3.11 of this document.
- If the Part 2 began the review process and is still on SHPO hold (not approved), information that was requested must be submitted to the SHPO by the historic documentation deadline (5:00 p.m. August 31 or February 28).
- If revisions have been made to the scope of previously approved work, an amendment must be submitted to the SHPO by the historic documentation deadline (5:00 p.m. August 31 or February 28).

3.13. Following the application submission period will be an application review period. During this time, applications will be reviewed for completeness and Development and/or SHPO may request that Applicants provide additional information. Applicants can only submit additional information in direct response to written correspondence from either agency, and no new information shall be provided by the applicant during this period. If the Applicant does not submit the information requested by Development and/or SHPO within 10 business days of the request, the submission will be evaluated as submitted and

may result in a competitive scoring reduction or ineligibility during the Application Period. If the information submitted in the application and/or the applicable Part 1 and Part 2 forms is materially insufficient upon original submission, the Director shall notify the Applicant that the application will not be considered during the Application Period. If the information submitted in the application and/or the applicable Part 1 and Part 2 forms as of one week prior to the conclusion of the application review period (e.g. November 24 and May 25), is not sufficient to document eligibility or that the rehabilitation work proposed will comply with the US Secretary of Interior's Standards for Rehabilitation, the Director shall notify the Applicant that the application will not be considered during the Application Period.

- 3.14. Concurrent with the completeness review, Development and SHPO will review eligibility requirements for applications.
- 3.15. The Director will make a determination of each application by the final day of the Application Period. The Director shall notify all Applicants in writing of the status of an application upon completion of the Application Period.
- 3.16. Applicants that are not approved during an Application Period are eligible to re-apply in any following Application Period.

#### **4. Application Scoring**

- 4.1. An application worksheet will be provided that contains detailed guidance on what materials and documentation will be required for a completed application.
- 4.2. Each application will require Applicants to self-score their Project. All scores will be verified by Development to ensure accuracy.
- 4.3. Applicants will define a Project scope within their application. The scope can encompass all or a portion of a Historic Building or multiple Historic Buildings. The scope can also encompass associated new construction or non-Historic Buildings that will be constructed or rehabilitated as part of the Project. All components of the scope must be owned or leased by the Applicant and improved by the Applicant as part of the Project. This scope will be used consistently across all scoring measures for determining the impacts of the Project.
- 4.4. The regional distributive balance set of criteria will make up 30% of the total points used to evaluate applications. The top scoring project from every unique jurisdiction (municipality or township) will receive the full points for the jurisdictional balance and county per capita balance measures (total of 15 points).
- 4.5. The potential economic impact set of criteria will make up 70% of the total points used to evaluate applications.

#### **5. Selection of Approved Applications**

- 5.1. Applications must score a minimum of 50 total points in the scoring criteria established in section 4 of this document to be eligible for approval.
- 5.2. Applications will be approved in the ranked order in which they were scored by the Director according to the scoring criteria established in section 4 of this document, subject to the requirement from ORC 149.311 (B)(2) set forth in sections 5.6 and 5.7 of this document, and to the Director's consideration of any and all information that is available during the application review process when evaluating an application. Should the Director have concerns for any reason about the ability of the Applicant to execute the Project, the Director may elect not to approve the application despite its ranked order.

- 5.3. The Director will commit the amount requested in approved Ohio Historic Preservation Tax Credit applications until there is no longer a sufficient allocation of credits to do so under ORC 149.311 (D)(2). At that point, the program may offer a partial credit amount to Applicants in the ranked order in which they are scored. Applicants will be required to respond within a week of receiving notification if the partial credit amount will be accepted.
- 5.4. If additional tax credit allocations are made available from previously approved projects, applications awarded a partial credit amount under section 5.3 of this document will be fully funded before additional applications are considered. The Director will determine how remaining allocations will be made available for future Application Periods.
- 5.5. Should several applications receive the same point totals according to the scoring criteria established in section 4 of this document, the Director will determine which applications to approve by prioritizing applications in the following order:
  - Applications for projects previously not approved in the preceding Application Period due solely to competition (not ineligibility).
  - Applications from jurisdictions that have never received funding;
  - Applications receiving the highest cumulative score from the leveraged investment, financing secured, and timeliness to completion criteria; and
  - Applications that have a larger physical scope (square footage).
- 5.6. In order to comply with ORC 149.311(B)(2), 8% of the available tax credit allocation in each Application Period will be reserved for Small Projects that request \$250,000 or less in tax credits and estimate Qualified Rehabilitation Expenditures (QREs) equal to or less than \$1,250,000 (“Small Project”). For combined state and federal applications, the federal QRE estimate will be used to determine if a project qualifies as a Small Project. Such projects must also qualify as having been substantially rehabilitated as defined in 26 U.S.C. 47(C)(i). If any tax credit allocation reserved for Small Project applications is not allocated, it will be used to fund other applications in the same Application Period.
- 5.7. In order to approve a balance of projects at various scales, 25% of the available tax credit allocation in each Application Period will be reserved for intermediate projects that request \$2,000,000 or less in tax credits and estimate Qualified Rehabilitation Expenditures between one and ten million dollars (“Intermediate Project”). For combined state and federal applications, the federal QRE estimate will be used to determine if a project qualifies as an Intermediate Project. If any tax credit allocation reserved for Intermediate Project applications is not allocated, it will be used to fund other applications in the same Application Period.
- 5.8. In accordance with ORC 149.311 (C)(3) and OAC 122:19-1-03(C), the Director shall verify that the tax credit is a major factor in the owner’s decision to rehabilitate the Historic Building or substantially increase investment in such rehabilitation.
  - Applicants seeking to demonstrate that the tax credit is a major factor in the owner’s decision to rehabilitate the Historic Building must not have completed physical Rehabilitation work beyond necessary stabilization, approved environmental abatement, and approved work that is necessary to make a determination that the building qualifies as a Historic Building. Stabilization is defined as the act or process of applying measures designed to reestablish a weather resistant enclosure and the structural stability of an unsafe or deteriorated property while maintaining the essential form as it exists at present (National Park Service, 1983).
  - Applicants seeking to demonstrate that the tax credit is a major factor in the owner’s decision to increase investment in the rehabilitation of the Historic Building after Rehabilitation work has begun must provide a third-party cost certification of

Qualified Rehabilitation Expenditures incurred and must not have incurred more than 25% of the total project Qualified Rehabilitation Expenditures as of the application submission. Rehabilitation work completed prior to application must be done in accordance with the Secretary of the Interior's Standards for Rehabilitation. Applicants must commit to expend the remaining 75% of the total project Qualified Rehabilitation Expenditures after application approval.

- 5.9. The Director may issue a conditional approval of an application that requires Projects to meet specific milestones by a deadline established in the approval letter. If the Applicant does not meet the milestones established in the approval letter by the established deadline, the Director shall notify the Applicant that the approval is void.
- 5.10. Beginning in Round 22 and continuing thereafter, all awardees will be required to enter into a tax credit agreement executed by both the awardee and the Director memorializing the terms and conditions of the tax credit award.

## **6. Catalytic Projects**

- 6.1. This section pertains only to Catalytic Project applications. Catalytic Projects are large-scale rehabilitation projects that will foster significant economic development and are eligible to receive up to \$25 million in tax credits pending increased review and scrutiny. Catalytic Projects are subject to all other policies in this document, unless otherwise indicated.
- 6.2. The Director will commit to a total amount of tax credits for a Catalytic Project when approving its application. The full award will be funded by allocating \$2,500,000 per round, starting with the round in which the project is approved and concluding when the full total award amount is funded.

## **7. Amendments**

- 7.1. Requests to amend approved applications as to Applicant, Project Information, and Qualified Rehabilitation Expenditures amendment requests must be filed with Development. These requests to amend will be reviewed by Development within 45 calendar days and a determination made. In instances when a determination cannot be made, the Director may request additional information.
  - Change of Applicant Amendments: Any Amendment to reflect a change in the Applicant for a Project requires a signed letter from the original Applicant acknowledging the transfer of the tax credit application to the new Owner or Qualified Lessee and a submitted copy of one of the following documents for an Amendment determination:
    - Deed for the property or County auditor's card for all parcels
    - Executed sale and purchase agreement for all parcels
    - Executed closing documents for all parcels (settlement sheets)
    - Qualified lease that has been executed and, starting from the date of project completion, has a term equal to or exceeding the lease term requirement under 26 U.S.C. 47(c)(2)(B)(vi), which requires a minimum of 27.5 years for residential rental property and 39 years for nonresidential real property.
  - Project Information Amendments: Any Amendment changing Project information, including, but not limited to, the scope of the Project, the timeline for completion, end use, the Historic Buildings included in a project, or other essential Project information

outlined in the application requires documentation of reviewable progress. This includes, but is not limited to, a viable financial plan, copies of final construction drawings, required historic approvals, and building permits. These Amendments will require a detailed explanation for the change and may involve providing additional required information for an Amendment determination. Amendments to end use or buildings included in a project will require a new cost-benefit analysis to be completed for the project.

- Qualified Rehabilitation Expenditure Amendments: Any Amendment adjusting the Qualified Rehabilitation Expenditures listed in the approved application will require detailed financial information and justification. Effective for applications approved after June 2008 in ORC 149.311 (D)(2), applications cannot be amended for an “amount greater than the estimated amount furnished by the applicant on the application.” Qualified Rehabilitation Expenditure Amendment requests that suggest changes to the historic rehabilitation elements of the project are subject to review by the SHPO as indicated in Section 7.2 of this document. Amendments to increase Qualified Rehabilitation Expenditures will require a new cost-benefit analysis to be completed for the project.
  - The Applicant will receive communication from Development within 45 business days either containing a determination or a request for additional information. If additional information is requested, the Applicant will have 15 business days to respond to the request. These established response timelines will continue until an Amendment determination is made.
- 7.2. Historic Rehabilitation Amendments: Any Amendment for combined federal and state applications dealing with the historic designation status, detailed description of rehabilitation work or other historic information must be submitted on the federal Continuation/Amendment Sheet form, filed with the SHPO and follow its established schedules and filing procedures.
- For state only applications, Development will issue a determination based on the SHPO recommendation for the historic rehabilitation Amendment. The SHPO may require Applicants to submit additional documentation, drawings, photographs, maps or any other necessary information to make a recommendation.
- 7.3. The Director has the discretion to approve Amendments in whole or part.
- 7.4. The Director may issue a conditional approval of an Amendment requiring additional materials or progress by a deadline established in the Amendment determination. If the Applicant does not meet the conditions of approval by the established deadline, the conditional approval is void.
- 7.5. Beginning in Round 22 and continuing thereafter, all approved amendment requests will be memorialized by way of a written agreement executed by both the awardee and the Director.

## **8. Tax Credit Certification**

- 8.1. No later than 90 calendar days after the Rehabilitation of the Historic Building or a project stage is complete, the Owner or Qualified Lessee of the Historic Building shall notify the Director that the Project is complete in accordance with the application and request a historic preservation tax credit certificate. The Applicant must submit one completed original request for certification and the certification fee to the Ohio Development Services Agency, Office of Strategic Business Investments, 77 S. High Street, 28<sup>th</sup> Floor, Columbus, Ohio 43215. The request must include:

- Cover letter signed by the Owner or Qualified Lessee of the Project certifying that the Project has been completed and that the information contained within the request for certification is correct.
  - Proof of ownership or leaseholder interest of the Project. Ownership can be documented through a copy of the property deed or the county auditor's card. Leaseholder interest can be documented through a copy of an executed qualified lease that, starting from the date of project completion, has a term equal to or exceeding the lease term requirement under 26 U.S.C. 47(c)(2)(B)(vi), which requires a minimum of 27.5 years for residential rental property and 39 years for nonresidential real property.
  - The full address of the property. The address and parcel numbers must be consistent with the proof of ownership and the approved application.
  - Historic approvals for the entire Project. For combined federal and state projects the federal Part 3 application form—Request for Certification of Completed Work—must be completed in accordance with federal instructions and receive a positive recommendation from the SHPO. For state only applications, the same rehabilitation information must be provided and receive a positive recommendation from the SHPO.
  - Proof of completion of the Rehabilitation work. All Applicants must provide a certificate of occupancy or other documentation verifying that all relevant state and local regulations pertaining to the health and safety of occupants are met for the Project as described in the Application.
  - Financial analysis of the Rehabilitation of the Historic Building. For projects with Qualified Rehabilitation Expenditures exceeding \$200,000, the financial analysis must be documented in a cost certification report completed by a third-party certified public accountant in accordance in ORC 149.311 (D)(5). The analysis shall include all Qualified Rehabilitation Expenditures, non-qualified rehabilitation expenditures, total Project costs and requested historic tax credits. Detailed project expenditures should include items such as acquisition costs, construction costs, furniture, fixtures, and equipment, construction interest, architect and engineer, taxes and insurance, legal and professional fees, financing fees, project overhead, developer fees, marketing and advertising, and any other major expenditure involved in the rehabilitation of the Historic Building.
- 8.2. For all projects, the effective date of the tax credit certificate will be the date that a complete Part 3 certification application is postmarked to the SHPO (with official proof of the transmission date available upon request) **if**:
- A complete certification request (**as defined in 8.1 above**) is received by Development concurrent with the submission of a complete Part 3 certification application; and
  - The Part 3 certification application submitted to SHPO is complete (**as defined in 8.3 below**) and approved by SHPO within 90 days of SHPO receipt. Any needed follow-up documentation must be fully completed, with work done in conformance with the Secretary of the Interior's Standards for Rehabilitation and submitted to SHPO within 60 days of original SHPO Part 3 receipt, to allow for a minimum of 30 days for SHPO to complete its final review.
  - For projects that do not submit a complete certification request concurrently with a complete Part 3 certification application, the effective date of the tax credit certificate will be the date the Part 3 is approved by SHPO.

8.3. A Part 3 certification application will be considered complete when work is fully completed as formally approved in the project's Part 2 application and any subsequent formally approved amendments for the awarded project. At the time that the Part 3 certification application is submitted, all work must be finished, with no work still occurring on/in any portion of the building/functionally related complex and the following information must be included:

- A fully completed Part 3 application form, with an original, dated applicant signature;
- An attachment to the Part 3 form that specifies how the project was completed as approved (including any conditions), with any work variances documented in detail on a concurrently submitted Amendment form, with an original, dated applicant signature;
- Submission of high quality, properly labeled, sequentially numbered "after" photos that cover the entire building/functionally related complex (whether part of the project scope or not) to clearly document the current condition of the entire building/functionally related complex;
- An "after" photo key (created using up-to-date/current plans, with corresponding Part 3 photo numbers that covers all spaces/areas of the entire building/functionally related complex.

To confirm more detailed Part 3 submission instructions, please contact SHPO.

8.4. Development cannot issue a tax credit certificate for any Project until the first day of the fiscal year for which the Application was approved. If the Applicant submits a request for certification prior to the fiscal year for which the approved application was designated, Development will not respond until after the first day of such fiscal year.

8.5. If the Applicant is a pass-through entity, the request for certificate must include the following:

- The name of each individual and each entity holding an equity interest in the pass-through entity as of the date that the pass-through entity files the tax credit certificate request must be listed. For each equity investor in the pass-through entity that is an individual, the individual's Social Security Number and for each equity investor in the pass-through entity that is not an individual, the equity investor's federal employer identification number must be listed.
- For each investor in the pass-through entity the equity investor's taxable year-end must be listed.
- For each investor in the pass-through entity the equity investor's percentage of ownership in the pass-through entity as of the date that the pass-through entity files the tax credit certificate request must be listed.
- For each equity investor in the pass-through entity, the type of tax against which the equity investor will apply the credit (e.g., Ohio financial institutions tax, Ohio insurance premium, or Ohio individual income tax) must be identified.

8.6. The certificate issued by the Director shall include the following:

- Application tracking number;
- Name of the Owner or Qualified Lessee;
- Address and location of the Project;
- Amount of Qualified Rehabilitation Expenditures certified for the Project;
- Taxable year in which the tax credit can be claimed; and

- Listing of how the credits will be applied to the tax liability of the Owner or Qualified Lessee, or if the Owner or Qualified Lessee is a pass through entity, to the shareholders, partners or members of the pass through entity, as requested by the Owner or Qualified Lessee and provided under section 5725.151, 5726.52, 5725.34, 5729.17, 5733.47 or 5747.76 of the Revised Code.

## 9. Fee Schedule

- 9.1. The total fees charged to any approved application shall not exceed 1.5 percent of the total approved tax credits.
- 9.2. The application fee will be based on the amount of tax credits requested as outlined in the table below. The fee is non-refundable and must be submitted with the application.

Tax Credit Requested	Application Fee
\$10,000 or less	\$50.00
\$10,001-\$25,000	\$100.00
\$25,001-\$50,000	\$250.00
\$50,001-\$100,000	\$500.00
\$100,001-\$250,000	\$750.00
\$250,001-\$500,000	\$1,000.00
\$500,001-\$1,000,000	\$1,500.00
\$1,000,001-\$5,000,000	\$2,000.00

- 9.3. The servicing fee will equal 0.5 percent of the approved tax credits. The servicing fee must be paid in full within three months of application approval or the Director may rescind the application. The servicing fee is non-refundable even if the application is withdrawn or rescinded.
- 9.4. The certification fee will equal 1.5 percent of the tax credits requested at certification less the sum of the application fee and servicing fee paid by the applicant. The fee shall be paid before a tax credit certificate is issued. If the tax credits requested at certification have decreased such that 1.5 percent of the tax credits requested are less than the sum of the application fee and servicing fee paid by the applicant, no certification fee will be required.

## 10. Monitoring and Reporting

- 10.1. Any time prior to issuance of a tax credit certificate, the Director, State Historic Preservation Officer or staff of either agency may, upon reasonable notice of not less than three business days, conduct a site visit to the Project to inspect and evaluate the Rehabilitation.
- 10.2. Any time prior to issuance of a tax credit certificate and for a period of four years following the effective date on a project tax credit certificate, the Director may, upon

reasonable notice of not less than 30 calendar days, request a status report from the Applicant consisting of information and updates relevant to the status of the Project. Status reports shall not be requested more than twice yearly.

10.3. In order to demonstrate sufficient evidence of reviewable progress within twelve months after the date the Applicant received notification of approval as required under Ohio Revised Code Section 149.311 (D)(5), the Applicant shall provide the following:

- A viable financial plan which demonstrates by way of an executed agreement that all financing has been secured for the Project. For purposes of equity, this includes, but is not limited to, letters of commitment from the Owner of the property, investment partners and equity investors.
- Final construction drawings or approved building permits which demonstrate the complete rehabilitation of the full scope of the application.
- All historic approvals, which includes all federal and state rehabilitation documents required by the SHPO.

The Director shall review the submitted evidence and may request additional documentation from the Applicant if necessary. The Applicant will have 30 calendar days to provide the information requested, otherwise the approval may be rescinded at the discretion of the Director.

10.4. In order to demonstrate sufficient evidence of reviewable progress within eighteen months after the date the application received notification of approval as required under ORC 149.311 (D)(5), the Applicant is required to provide detailed evidence that the Applicant has secured and closed on financing for the complete scope of rehabilitation for the Project. To demonstrate evidence that the Applicant has secured and closed on financing, the Applicant will need to provide signed and processed loan agreements, bank financing documents or other legal and contractual evidence to demonstrate that adequate financing is available to complete the Project. The Director shall review the submitted evidence and may request additional documentation from the Applicant if necessary. The Applicant will have 30 calendar days to provide the information requested, otherwise the approval may be rescinded at the discretion of the Director.

10.5. If the Applicant fails to document reviewable progress within eighteen months of approval, the Director may notify the Applicant that the application is rescinded. However, should financing and construction be imminent, the Director may elect to grant the Applicant no more than five months to close on financing and commence construction. If the Applicant fails to meet these conditions in the required timeframe, the Director shall notify the Applicant that the application is rescinded.

10.6. The amount of the Qualified Rehabilitation Expenditures identified in the Applicant's certification of completion and reflected on the historic preservation tax credit certificate issued by the Director is subject to inspection, examination and audit by the Tax Commissioner or the Tax Commissioner's employees and agents.

10.7. The Applicant shall establish and maintain for a period of four years following the effective date on a project tax credit certificate such records as required by the Director. Such records include, but are not limited to, records documenting Project expenditures and compliance with the US Secretary of Interior's Standards for Rehabilitation. The Applicant shall make such records available for review and verification by the Director, State Historic Preservation Officer or Tax Commissioner or appropriate staff as well as other appropriate state agencies. In the event the Director determines an Applicant has submitted an annual report containing erroneous information or data not supported by records established and maintained under this rule, the Director may, after providing notice, require the Applicant to resubmit corrected reports.