Welcome

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Illinois Department of Natural Resources

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Illinois Department of Natural Resources

“To manage, conserve and protect Illinois’ natural, recreational and cultural resources, further the public’s understanding and appreciation of those resources, and promote the education, science and public safety of Illinois’ natural resources for present and future generations.”

- DNR
  - Office of Realty and Capital Planning
    - State Historic Preservation Office
Illinois Department of Natural Resources

Architecture and Tax Incentives Staff

Carol Dyson, AIA, Chief Architect, DSHPO
Anna Margaret Barris, Project Reviewer
Darius Bryjka, Project Reviewer
Anthony Rubano, Project Reviewer, Temp. Regulatory Head
Agenda

- What’s a “SHPO”?
- Statewide tax-credit (IL-HTC) program overview
- Part S-1: Application Workshop
- Part S-2: Online Submission
- Part S-3: Priority Assertion & Project Expenditures
- Assigning Allocations
- Certification of Qualified Rehabilitation Expenditures
- IL-HTC Certificate
- Questions
Illinois Department of Natural Resources

- Office of Realty and Capital Planning
  - State Historic Preservation Office
    - National Register of Historic Places
    - Financial Incentives
    - Certified Local Government
    - Cultural-Resource Protection
    - Archaeology
SHPO = State Historic Preservation Office
- State staff who administer federally mandated historic-preservation programs

SHPO = State Historic Preservation Officer
- By statute, Illinois SHPO is the director of DNR
- On March 27, 2019, Gov. Pritzker appointed Colleen Callahan as Illinois’ SHPO

IL-HTC legislation refers to both
- Office (Division) administers the program
- Officer (Director) signs the Certificate
25% Illinois Historic Preservation Tax Credit (IL-HTC)

Program website including instructions for all steps of the application (forms and priority instructions) and a PDF of this PowerPoint presentation:

https://www2.illinois.gov/dnrhistoric/Preserve/Pages/statecredit.aspx
25% Illinois Historic Preservation Tax Credit (IL-HTC)

- Pilot program from Jan. 1, 2019 to Dec. 31, 2023
- State income-tax credit equal to the lesser of:
  - 25% of Qualified Rehabilitation Expenditures (QRE) (same definition as for 20% federal historic tax credit or F-HTC), or
  - $3 million
- Available statewide, but limited to:
  - $15 million in annual credit allocations (program total of $75 million in allocatable credit)
  - $3 million per project
- Same project cannot receive both RE-HTC and IL-HTC
25% Illinois Historic Preservation Tax Credit (IL-HTC)

- Same design review as F-HTC
- Same fiscal rules as F-HTC, except:
  - Competitive allocation process
  - Eligible QREs must be incurred between 1/1/19 and 12/31/23 and post 1/1/19 QREs must exceed the pre-rehab adjusted basis
  - Requires a Cost Certification by independent CPA
  - Issuance fee of 2% of credit amount collected before SHPO can release Certificate
  - Credit can be carried forward 10 years
25% Illinois Historic Preservation Tax Credit (IL-HTC)

- Allocated by SHPO twice per year based on:
  - Number of priorities met (up to 5)
    1. Border-county location
    2. Former government ownership
    3. Certain census tracts
    4. Not-for-profit ownership
    5. Federal disaster declaration
  - Date and time of S-2 application receipt
  - Est. QREs or actual QREs at Part S-3 stage
- An allocation is not a tax credit
25% Illinois Historic Preservation Tax Credit (IL-HTC)

- Each application round consists of 3 parts:
  - **S-1**: application workshop (right now)
  - **S-2**: online submission (assigns date and time SHPO receives application)
  - **S-3**: hardcopy submission (asserts priorities met and eligible QREs)

Projects must complete all 3 parts to be placed in queue for allocation.

Projects must have F-HTC Part 2 approved by NPS before applying (a.k.a., prior to S-1 workshop)

No allocation = must re-apply in future rounds
2019 IL-HTC Application Dates

- **Round 1** (up to $9.75 million in allocations available)
  - **S-1** workshop:
    - Wednesday, June 5, 2019, 1:30 P.M.
    - Old State Capitol, Springfield
  - **S-2** online submission:
    - Starts on Wednesday, July 10, 2019, 10:00 A.M.
    - Ends on Friday, July 12, 2019, 5:00 P.M.
  - **S-3** hardcopy submission:
    - Due at SHPO by Friday, August 9, 2019, 5:00 P.M.
2019 IL-HTC Application Dates

- **Round 2** ($5.25 million in allocations available plus any unassigned allocations from Round 1)
  - **S-1** workshop:
    - Wednesday, September 25, 2019, 1:30 P.M.
    - Old State Capitol, Springfield
  - **S-2** online submission:
    - Starts on Wed., October 9, 2019, 10:00 A.M.
    - Ends on Friday, October 11, 2019, 5:00 P.M.
  - **S-3** hardcopy submission:
    - Due at SHPO by Friday, November 8, 5:00 P.M.
IL-HTC Dovetails with F-HTC

- Must successfully *apply* for F-HTC
- Do not have to *claim* the F-HTC
IL-HTC Dovetails with F-HTC

- Must successfully *apply* for F-HTC
- Do not have to *claim* the F-HTC
  - Must have approved F-HTC Part 2 to apply
  - Must have F-HTC Part 3 and Cost Certification to receive a IL-HTC Certificate
- F-HTC recapture will trigger IL-HTC recapture
Part S-1: Application workshop in Springfield

- Project’s representation at Part S-1 workshop meets statutorily required “readiness test”
- Mandatory attendance and sign-in
  - Anyone can represent a project and sign it in
  - Must provide NPS project number
  - If project does not receive allocation in the first round, project must be represented at the second round’s S-1 workshop
- To apply, projects must have F-HTC Part 2 approved or conditionally approved by NPS by the date of that round’s S-1 workshop
<table>
<thead>
<tr>
<th>Guest Name</th>
<th>Member Organization</th>
<th>Member Phone #</th>
<th>Member Email</th>
<th>Project Name/Address</th>
<th>Project City</th>
<th>NPS Project #</th>
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</table>
Part S-1: Application workshop in Springfield

NPS’s Check Project Status website
https://tpsdev.cr.nps.gov/status/

- NPS project number
- Part 2/3 approval date
Part S-1: Application workshop in Springfield

- On Friday, June 14, 2019, SHPO will post on program website all S-1 attendees who registered and their respective projects (if any)

www2.illinois.gov/dnrhistoric/Preserve/Pages/statecredit.aspx
Part S-2: Online Submittal

- Establishes the order in which the sorted Part S-3s will receive allocations
- Automatic response e-mail will confirm date and time that S-2 was received by SHPO
- Applying projects must have been represented at that round’s S-1 workshop

https://dnr2.illinois.gov/IHPTC/
Part S-2: Online Submittal

- 2019 Round 1 Part S-2 will activate on **Wednesday, July 10, 2019, 10:00 A.M.**
- 2019 Round 1 Part S-2 will deactivate on **Friday, July 12, 2019, 5:00 P.M.**

https://dnr2.illinois.gov/IHPTC/
Part S-2 of 2019 Application Round 1 for the Illinois Historic Preservation Tax Credit Program

This form can only be submitted between Wednesday, July 10, 2019 10:00 AM Central Time, and Friday, July 12, 2019 5:00 PM Central Time.

Your place in line for Part S-3 consideration will be based on the date and time that the Illinois Department of Natural Resources receives this submission.

2019 Part S-2 Application Period has begun

Submit Form

Click here to return to program website

All fields are required.

NPS Project # (Numbers only, 5 characters):

Project Street Address:

Project City:

Part of the project's federal tax credit application that the NPS has certified: (Select one.)

- Part 2 of the federal tax credit application
- Part 3 of the federal tax credit application

Date of NPS Certification of your project's Part 2 or Part 3: (Select from calendar. Date must be on or before Wednesday, June 5, 2019.)

Enter e-mail address for confirmation from IDNR of receipt of this application:

Re-enter e-mail address:

Submitted by:

First Name: Last Name:

All fields are required.
This form can only be submitted between Wednesday, July 10, 2019 10:00 AM Central Time, and Friday, July 12, 2019 5:00 PM Central Time. Your place in line for Part S-3 consideration will be based on the date and time that the Illinois Department of Natural Resources receives this submission.

2019 Part S-2 Application Period has begun

Submit Form

Submit button will go live at exactly 10:00 A.M. on 7/10/19

All fields are required.

NPS Project # (Numbers only, 5 characters):

Project Street Address:

Project City:

Part of the project’s federal tax credit application that the NPS has certified: (Select one.)

- Part 2 of the federal tax credit application
- Part 3 of the federal tax credit application

Date of NPS Certification of your project’s Part 2 or Part 3: (Select from calendar. Date must be on or before Wednesday, June 5, 2019.)

Enter e-mail address for confirmation from IDNR of receipt of this application:

Re-enter e-mail address:

Submitted by:

First Name: Last Name:

All fields are required.
Part S-2: Online Submittal

- Example of automatic email confirmation stating date and time of Part S-2 receipt

From: DoNotReply@illinois.gov <DoNotReply@illinois.gov>
Sent: Wednesday, July 10, 2019 10:04 AM
To: Hillshire, Bill <bill@thomasllc.com>
Subject: Part S-2 of 2019 IHPTC Program Application Received

IDNR received your Part S-2 of the 2019 Application Round 1 for the Illinois Historic Preservation Tax Program on Wednesday, July 10, 2019, 10:03:46.2587474. The information you provided is listed below.

Submitted by: Bill Hillshire
NPS Project Number: 12345
Address: 145 North Main Street
City: Peoria
Part of federal tax credit application: 3
Certified on: 4/18/2019

On Friday, July 26, 2019, IDNR will send an e-mail to this address that states the order in which all Part S-2 forms were received and whether your project is eligible to proceed with Part S-3 for this application round.
Part S-2: Online Submittal

- On Friday, July 26, 2019, SHPO will email all S-2 applicants the order in which it received all valid S-2 applications.
- SHPO will post on program website all S-2 applicants, sorted by arrival time, noting any projects ineligible to proceed to S-3.
- Eligible S-2 applicants may then mail Part S-3 to SHPO.
Part S-3: Hardcopy Submittal

- Applicant lists the project’s est. or actual QREs
- Applicant asserts the priorities the project meets
- All applying projects must submit Part S-3, even if they do not assert meeting any of the five priorities
- Applying projects must have submitted that round's Part S-2
- Deadline for receiving Part S-3 and all back up documentation is Friday, August 9, 2019, 5:00 P.M.
Part S-3

1. **Project Information**
   - **Business Name:**
   - **Street Address:**
   - **City:**
   - **County:**
   - **ZIP:**

2. **Project Expenditures** (complete Section 2.A or Section 2.B below)

   **2.A—Complete this section if you have only an approved F-HTC Part 2 or certified F-HTC Part 3.**
   - **Date of F-HTC Part 2, Part 2 Amendment, or Part 3 Certification (circle one and attach copy):**
   - **Estimated QREs from above referenced F-HTC form:**
   - **Estimated QREs incurred on and after 1/1/19:**

   **2.B—Complete this section if you have a certified F-HTC Part 3 and a CPA-prepared Cost Certification.**
   - **Date of F-HTC Part 3 Certification (attach copy):**
   - **Final certified QREs from Cost Certification (attach copy):**
   - **Final certified QREs incurred on and after 1/1/19 from Cost Certification (attach copy):**

3. **Priorities Assessed**

   - **Check each priority asserted and attach documentation for each, as per program instructions. Priorities asserted without attached documentation will be disqualified.**
   - [ ] Priority 1: Border County
   - [ ] Priority 2: Governmental Ownership
   - [ ] Priority 3: Cultural Value
   - [ ] Priority 4: Not-For-Profit & Corp/CDP
   - [ ] Priority 5: Planning/Development

4. **Applicant Information**

   - **I hereby attest that all information contained in this application, including the attached documentation, is true to the best of my knowledge and belief. I am granting the State of Illinois access to material documentation, and other data required to verify application information.**
   - **Name:**
   - **Organization:**
   - **Address:**
   - **City:**
   - **State:**
   - **ZIP:**
   - **Phone:**
   - **Email:**
   - **Signature:**

   - **INNR/SHPO Office Use Only**
   - **Met**
   - **Not Met**
Part S-3

- Expenditure information

2.4—Complete this section if you have only an approved F-HTC Part 2 or certified F-HTC Part 3.

Date of F-HTC Part 2, Part 2 Amendment, or Part 3 Certification (circle one and attach copy):

Estimated QREs from above referenced F-HTC form:

Estimated QREs incurred on and after 1/1/19:

2.8—Complete this section if you have a certified F-HTC Part 3 and a CPA-prepared Cost Certification.

Date of F-HTC Part 3 Certification (attach copy):

Final certified QREs from Cost Certification (attach copy):

Final certified QREs incurred on and after 1/1/19 from Cost Certification (attach copy):

3. Priorities Asserted

Check each priority asserted and attach documentation for each, as per program instructions. Priorities asserted without attached documentation will be disqualified.

- Priority 1: Border County
- Priority 2: Governors Partnership
- Priority 3: Capital Tract
- Priority 4: Not-for-Profit & Corp/CDP
- Priority 5: Mission Declaration

4. Applicant Information

I hereby attest that all information contained in this application, including the attached documentation, is true to the best of my knowledge and belief. I am granting the State of Illinois access to material, documentation, and other data required to verify application information.

Name:

Organization:

Address:

City:

State:

Zip:

Phone:

E-mail:

Signature:

Date:
Part S-3:

- Priorities asserted
Part S-3
Priority 1: Border County

- Structure must be in a county that borders a state with a historic income-producing-property rehabilitation credit, as of S-1 workshop
- As of this S-1 workshop, bordering states are Wisconsin, Iowa, Missouri, and Kentucky; not Indiana and Michigan
- Priority 1 sheet containing the complete county list is included in the downloadable program instructions
- Submit our list with the county circled and include it with your Part S-3 submission
Part S-3
Priority 1: Border County

To achieve Priority 1 (Public Act 100-0628, Section 20.4.1), the structure must be located in a county that borders a State with a historic income-producing property rehabilitation credit. For Illinois historic preservation tax credit program applications Round 1, 2019, the States of Wisconsin, Iowa, Missouri, and Kentucky shall be considered as having historic income-producing property rehabilitation credit programs. To achieve Priority 1, a building must be located in one of the following Illinois counties:

- Adams
- Alexander
- Boone
- Calhoun
- Carroll
- Cass
- Christian
- Clinton
- Coles
- Hancock
- Hardin
- Henderson
- Jackson
- Jersey
- Jo Daviess
- Lee
- Madison
- Mason
- Menard
- Monroe
- Pike
- Pope
- Pulaski
- Randolph
- Rock Island
- Saint Clair
- Stephenson
- Union
- White
- Winchester

To ensure that your project meets Priority 1, you must print out this page, highlight or circle your county, and include it with Part S-3 of your application.
Part S-3
Priority 2: Government Ownership

- Structure must have been previously owned by a federal, state, or local-governmental entity for no less than six months, as of S-3 submittal
- Must establish
  1. Government ownership and
  2. Duration of ownership (at least 6 months)
- Submit proof with S-3
Part S-3
Priority 2: Government Ownership

- If it’s not obvious that the entity is a unit of government (i.e., “Village of Oswego”), you must provide proof of its governmental status.
Part S-3
Priority 2: Government Ownership

Proof must be submitted and might include:

- Deeds or other ownership documents from the county recorder’s office
- Historic or current records, such as newspaper articles, that establish governmental ownership and duration
- Published histories or vetted documents, such as NRHP nominations, stating ownership and duration
Part S-3
Priority 2: Government Ownership

Proof must be submitted and might include:

- Photographs of original cornerstone, plaque, or sign identifying government ownership
- Copies of original drawings with title blocks that establish governmental commissioning
Part S-3
Priority 3: Census Tract

- Structure must be in a census tract with a median family income at or below the Illinois median family income
- Both figures must come from the most recent 5-year estimate from the American Community Survey (ACS), published by the U.S. Census Bureau
Part S-3
Priority 3: Census Tract

- For 2019 Application Rounds 1 and 2, Illinois’ most recent 5-year-estimate median family income is $76,533
- Two-step process on U.S. Census Bureau’s American FactFinder advanced search webpage

factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t
Priority 3: Census Tract
Step A—Determine your census tract

factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t
Priority 3: Census Tract
Step A—Determine your census tract
Priority 3: Census Tract
Step A—Determine your census tract
Priority 3: Census Tract
Step A—Determine your census tract
Priority 3: Census Tract
Step B—Determine the median family income for your census tract
Priority 3: Census Tract
Step B—Determine the median family income for your census tract
Priority 3: Census Tract
Step B—Determine the median family income for your census tract

![Image of the American FactFinder website with data on median income for a census tract.]

**Census Tract 28.01, Sangamon County, Illinois**

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<tr>
<th>Subject</th>
<th>Number</th>
<th>Margin of Error</th>
<th>Estimate</th>
<th>Margin of Error</th>
<th>Median Income (Dollars)</th>
<th>Margin of Error</th>
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<td>Households</td>
<td>1,438</td>
<td>± 128</td>
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<td>± 128</td>
<td>41,447</td>
<td>± 4,086</td>
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<td>One race —</td>
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<tr>
<td>White</td>
<td>1,191</td>
<td>± 133</td>
<td>1,191</td>
<td>± 133</td>
<td>43,667</td>
<td>± 4,134</td>
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<tr>
<td>Black or African American</td>
<td>200</td>
<td>± 63</td>
<td>13.9%</td>
<td>± 6.1</td>
<td>26,642</td>
<td>± 7,888</td>
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<tr>
<td>American Indian and Alaska Native</td>
<td>4</td>
<td>± 11</td>
<td>0.0%</td>
<td>± 1.9</td>
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<tr>
<td>Asian</td>
<td>28</td>
<td>± 20</td>
<td>1.9%</td>
<td>± 1.9</td>
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<tr>
<td>Native Hawaiian and Other Pacific Islander</td>
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<td>± 11</td>
<td>0.0%</td>
<td>± 1.9</td>
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<td>Some other race</td>
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<td>± 24</td>
<td>1.1%</td>
<td>± 1.7</td>
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<td>Two or more races</td>
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<td>± 5</td>
<td>0.2%</td>
<td>± 0.4</td>
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<td>Hispanic or Latino origin (of any race)</td>
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<td>± 22</td>
<td>1.9%</td>
<td>± 1.5</td>
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<td>White alone, not Hispanic or Latino</td>
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<td>± 128</td>
<td>1,180</td>
<td>± 128</td>
<td>43,876</td>
<td>± 4,164</td>
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**HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER**

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<tr>
<th>Age of Householder</th>
<th>Number</th>
<th>Margin of Error</th>
<th>Estimate</th>
<th>Margin of Error</th>
<th>Median Income (Dollars)</th>
<th>Margin of Error</th>
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<td>15 to 24 years</td>
<td>116</td>
<td>± 66</td>
<td>0.1%</td>
<td>± 4.5</td>
<td>36,250</td>
<td>± 21,104</td>
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<td>25 to 44 years</td>
<td>508</td>
<td>± 64</td>
<td>35.3%</td>
<td>± 5.9</td>
<td>36,136</td>
<td>± 11,129</td>
</tr>
<tr>
<td>45 to 64 years</td>
<td>492</td>
<td>± 66</td>
<td>34.2%</td>
<td>± 4.9</td>
<td>44,924</td>
<td>± 12,763</td>
</tr>
<tr>
<td>65 years and over</td>
<td>322</td>
<td>± 47</td>
<td>22.4%</td>
<td>± 3.3</td>
<td>37,650</td>
<td>± 17,350</td>
</tr>
</tbody>
</table>

**FAMILIES**

<table>
<thead>
<tr>
<th>Type of Family</th>
<th>Number</th>
<th>Margin of Error</th>
<th>Estimate</th>
<th>Margin of Error</th>
<th>Median Income (Dollars)</th>
<th>Margin of Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Families</td>
<td>726</td>
<td>± 67</td>
<td>726</td>
<td>± 67</td>
<td>56,287</td>
<td>± 5,080</td>
</tr>
<tr>
<td>With own children of household</td>
<td>295</td>
<td>± 79</td>
<td>40.6%</td>
<td>± 8.8</td>
<td>36,064</td>
<td>± 23,318</td>
</tr>
<tr>
<td>With no own children of household</td>
<td>431</td>
<td>± 86</td>
<td>59.4%</td>
<td>± 8.9</td>
<td>77,132</td>
<td>± 23,682</td>
</tr>
<tr>
<td>Married-couple families</td>
<td>426</td>
<td>± 68</td>
<td>58.7%</td>
<td>± 6.6</td>
<td>73,409</td>
<td>± 30,377</td>
</tr>
<tr>
<td>With own children under 18 years</td>
<td>89</td>
<td>± 11</td>
<td>31.1%</td>
<td>± 4.3</td>
<td>71,875</td>
<td>± 66,230</td>
</tr>
</tbody>
</table>
Priority 3: Census Tract

Step B—Determine the median family income for your census tract

- You must print out the S1903 table and include it with part S-3
Priority 3: Census Tract
Step B—Determine the median family income for your census tract

- You must print out the S1903 table and include it with part S-3
Priority 3: Census Tract
Step B—Determine the median family income for your census tract

- If there’s no value, you must go to earlier versions of the S1903 table
Priority 3: Census Tract

Step B—Determine the median family income for your census tract

- If there’s no value, you must go to earlier versions of the S1903 table
Priority 3: Census Tract
Step B—Determine the median family income for your census tract

- If there’s no value, you must go to earlier versions of the S1903 table.
Priority 3: Census Tract
Step B—Determine the median family income for your census tract

- THEN you must look up the state median income estimate using the same 5-year table as you used for the census tract
Priority 3: Census Tract
Step B—Determine the median family income for your census tract

THEN you must look up the state median income estimate using the same 5-year table as you used for the census tract
Priority 3: Census Tract
Step B—Determine the median family income for your census tract

- THEN you must look up the state median income estimate using the same 5-year table as you used for the census tract
Priority 3: Census Tract

Step B—Determine the median family income for your census tract

- THEN you must look up the state median income estimate using the same 5-year table as you used for the census tract.
Priority 3: Census Tract

Step B—Determine the median family income for your census tract

- THEN you must look up the state median income estimate using the same 5-year table as you used for the census tract
Part S-3
Priority 3: Census Tract

- If you cannot locate a value for a median income estimate for “Families” in any of the table S1903 versions published in American FactFinder, you cannot qualify for Priority 3 in this round.
- Since the 5-year estimates are updated annually, you can revisit this priority in future rounds.
Break
15 minutes

Restrooms and water fountains on Level 3
Must take elevator in the lobby—there are no stairs
Part S-3
Priority 4: Not-For-Profit

- The project’s development partnership must include at least one of the following, as of S-3 submittal
  - Community Development Entity (CDE)
  - Low-profit organization (B Corporation)
  - Not-for-profit organization (501(c)(3))
Part S-3
Priority 4: Not-For-Profit

To assert this priority, applicant must provide:

1. A copy of the development-partnership agreement identifying the entity eligible to achieve this priority
2. Proof that the identified eligible entity is a CDE, or a B Corporation, or a 501(c)(3)
Part S-3
Priority 4: Not-For-Profit

To prove that the entity is a CDE:
- Include a copy of the CDE certification from the U.S. Dept. of the Treasury Community Development Financial Institutions Fund (CDFI Fund), or
- Printout from the CDFI Fund website identifying the New Markets Tax Credit Program allocatee as a CDE: www.cdfifund.gov/awards/nmtc/Pages/default.aspx
Part S-3
Priority 4: Not-For-Profit

To prove that the entity is a B Corporation:
- Include a copy of a legal document proving the organization is a “benefit corporation,” as defined by law in one of the 35 states that authorize benefit corporations (in Illinois, see Public Act 097-0885): www.ilga.gov/legislation/publicacts/fulltext.asp?Name=097-0885
Part S-3
Priority 4: Not-For-Profit

To prove that the entity is a 501(c)(3):
- Include a copy of a determination letter from the IRS, or
- Printout from the IRS Select Check website identifying the entity as tax exempt: apps.irs.gov/app/eos/
Part S-3
Priority 5: Disaster Declaration

- The structure must be in an area declared under the “Robert T. Stafford Disaster Relief and Emergency Assistance Act” as an “Emergency Declaration” or “Major Disaster Declaration” by the S-1 workshop
- Declaration must be no older than 3 years at the time of application (i.e., the S-1 workshop)
- Source of information is FEMA
  www.fema.gov/disasters/year
  www.fema.gov/media-library/assets/documents/28318
Part S-3
Priority 5: Disaster Declaration

- As of today—the day of the S-1 workshop—there have been no federal disasters designated in Illinois in last 3 years; therefore:
- **No one can assert Priority 5 in 2019 Application Round 1**
Part S-3
Priority 5: Disaster Declaration

- No one can assert Priority 5 in 2019 Application Round 1
Part S-3
Project Expenditures

- If you have an F-HTC Part 2 or 3, use 2.A:
  - Date of F-HTC Part 2 or 3 certification
  - Estimated QREs from F-HTC form
  - Est. QREs incurred on or after 1/1/19
Part S-3
Project Expenditures

- If you have F-HTC Part 3 and CPA-prepared cost certification, use 2.B:
  - Date of F-HTC Part 3 certification
  - Final QREs from cost certification
  - Final post-1/1/19 QREs from cost certification
SHPO Ordering of Applications

S-3s are due at SHPO by Friday, August 9, 2019, 5:00 P.M. SHPO will sort applications in the following order:

- Projects with 5 priorities in the order their S-2s were received
- Projects with 4 priorities in the order their S-2s were received
- Projects with 3 priorities in the order their S-2s were received
- Projects with 2 priorities in the order their S-2s were received
- Projects with 1 priority in the order their S-2s were received
- Projects with 0 priorities in the order their S-2s were received

S-3 priority total takes precedence over S-2 arrival time
SHPO Ordering of Applications

- SHPO starts with the complete application with the most priorities and whose S-2 was received first
- SHPO proceeds in descending order until the available allocation amount has been assigned

*Example:*
Project A: S-2 was the 1\textsuperscript{st} received. S-3 asserts 3 priorities
Project B: S-2 was the 8\textsuperscript{th} received. S-3 asserts 4 priorities

Project B would receive an allocation before Project A.
SHPO Assigning Allocations

- Allocation will be the lesser of:
  - 25% of 2.A estimated post-1/1/19 QREs, or
  - 25% of 2.B final post-1/1/19 QREs, or
  - $3 million
- ...depending on the remaining allocation amount
SHPO Assigning Allocations

- Estimated post-1/1/19 QREs cannot exceed the estimated QREs from the F-HTC form
- If F-HTC Part 2 est. QREs were significantly underestimated, applicant may submit an F-HTC amendment
  - Select “amends a previously submitted” and “Part 2”
  - In the summary paragraph, state the original est. QREs and revised est. QREs
  - The amendment must be approved by the NPS prior to that round’s S-3 submittal deadline
SHPO Assigning Allocations

Allocation ≠ tax credit

- Credit will be calculated on post-1/1/19 QREs
- SHPO will allocate 25% of the estimated or actual (certified) post-1/1/19 QREs on Part S-3 up to $3 million
- Cost Certification must define pre-1/1/19 and post-1/1/19 QREs
Announcing Allocations

- On Friday, August 30, 2019, SHPO will notify all S-3 applicants of the Round 1 allocation results by email with hardcopy to follow.
- SHPO will post on program website:
  - All S-3 applications, sorted by priority then by arrival time, and their respective allocations
  - Allocation amount available for the next application round
Didn’t receive an allocation?

- Same project can reapply in subsequent rounds
- Statute does not prohibit completed projects from applying; QREs must be incurred after 1/1/19 and exceed starting adjusted basis
- Single project may not receive more than $3 million in state credits
Didn’t receive enough allocation?

- Projects receiving partial allocations may apply for the balance in subsequent rounds
- Projects whose certified QREs wind up being more than their allocation may reapply for the balance in subsequent rounds
- Single project may not receive more than $3 million in state credits
Now that you have an allocation, what now?

- Remember: Allocation ≠ tax credit
- Continue to implement and finish your project
- Obtain a certified F-HTC Part 3
- Fill out IL-HTC Certification of Qualified Rehabilitation Expenditures
Rescinding allocations

- If there’s lack of sufficient progress after allocation, the SHPO may require the allocatee to provide “sufficient evidence of reviewable progress”
- Allocations can be rescinded
- Rescinded allocations will be made available in future allocation rounds
IL-HTC Certification of Qualified Rehabilitation Expenditures

<table>
<thead>
<tr>
<th><strong>Federal Project Number</strong></th>
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<table>
<thead>
<tr>
<th><strong>Name of property</strong></th>
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<thead>
<tr>
<th><strong>Owner</strong></th>
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I hereby certify that all information contained in this application, including the documentation, is true to the best of my knowledge and belief. I am granting the State of Illinois access to material documentation and other data required to verify application information.

<table>
<thead>
<tr>
<th><strong>Name</strong></th>
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<table>
<thead>
<tr>
<th><strong>Organization</strong></th>
<th><strong>Signature</strong></th>
<th><strong>Date</strong></th>
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<table>
<thead>
<tr>
<th><strong>Street</strong></th>
<th><strong>City</strong></th>
<th><strong>Zip</strong></th>
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<tr>
<th><strong>State</strong></th>
<th><strong>Phone</strong></th>
<th><strong>Email</strong></th>
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<table>
<thead>
<tr>
<th><strong>Expenditures</strong></th>
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<table>
<thead>
<tr>
<th><strong>Total of qualified rehabilitation expenditures (QRE)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Total of QRE incurred between 1/1/2019—12/31/2023</strong></th>
</tr>
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<tbody>
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<table>
<thead>
<tr>
<th><strong>Total of non-qualified rehabilitation expenditures (non-QRE)</strong></th>
</tr>
</thead>
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</table>

<table>
<thead>
<tr>
<th><strong>Total expenditures incurred (QRE plus non-QRE)</strong></th>
</tr>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th><strong>Qualified expenditure period: Start date</strong></th>
</tr>
</thead>
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<table>
<thead>
<tr>
<th><strong>End date</strong></th>
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<table>
<thead>
<tr>
<th><strong>Adjusted basis on the first day the qualified rehab plan commenced</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Project completion/placed in service date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Certification of costs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

| **I hereby certify the above expenses for the total project, the qualified rehabilitation expenditures (QREs), and the non-qualified rehabilitation expenditures, and that the total of QREs incurred between January 1, 2019 and December 31, 2023 exceeds the adjusted basis value of the historic structure on the first day the qualified rehabilitation plan commenced. This is a necessary certification contained by a CPA, and appropriate examination was carried out. My examination was conducted in accordance with generally accepted accounting principles established by the American Institute of Certified Public Accountants.** |

<table>
<thead>
<tr>
<th><strong>State</strong></th>
<th><strong>Zip</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Name of CPA</strong></th>
<th><strong>Signature</strong></th>
<th><strong>Date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>CRA License #</strong></th>
</tr>
</thead>
<tbody>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>IDNR office use only</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Part 3 approved by NFEI: Y/N: Date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Allocated amount: Date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Insurance fees to be requested: Date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Date fee requested: Date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Date fee collected: Date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
IL-HTC Certification of Qualified Rehabilitation Expenditures

- Owner fills out and signs
IL-HTC Certification of Qualified Rehabilitation Expenditures

- Third-party CPA fills out and signs
IL-HTC Certification of Qualified Rehabilitation Expenditures

- Total QREs
- Total QREs after 1/1/19
- Total non-QREs
- QRE + non-QRE Expenditure period
- Adjusted basis at start of project
IL-HTC Acceptance Letter

- If SHPO accepts completed Certification of QREs, it will mail the applicant an acceptance letter stating amount of IL credit and requesting payment of issuance fee (= 2% of value of IL credit)
- Mail check payable to IDNR with the NPS project number in the memo line to:
  Illinois Department of Natural Resources
  Office of Realty & Capital Planning
  Attention: Robert Appleman
  One Natural Resources Way
  Springfield, Illinois 62702-1271
What’s with the issuance fee?

- Section 20(c) requires that SHPO commissions a biennial economic impact report, paid for with the fee.
IL-HTC Acceptance Letter

- Project with allocation > 25% of certified QREs gets 25% of certified QREs (a.k.a., less credit than allocated)
  - Remember: Allocation ≠ tax credit
- Project with allocation < 25% of certified QREs gets allocation (a.k.a., less credit than eligible)
  - Can apply for balance in subsequent rounds
- Project received allocation but post 1/1/19 QREs < adjusted basis = no credit
- Project without both NPS-certified Part 3 and cost certification = no credit
- Project that doesn’t pay issuance fee = no credit
IL-HTC Certificate

- SHPO deposits check then submits Certificate for signature
- SHPO mails original Certificate to applicant
- Applicant begins claiming on next or amended IL tax return
- Per statute, applicant must attach a copy to IL tax return
QUESTIONS?

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Anthony Rubano
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anthony.rubano@illinois.gov

www2.illinois.gov/dnrhistoric/Preserve/Pages/statecredit.aspx