



City of Dallas

Historic Development Program

Your guide to incentives
for rehabilitating historic buildings

introduction

Thank you for your interest in preserving the historic and architectural legacy of the City of Dallas. The Historic Development Program was developed to encourage the rehabilitation of historic buildings and the revitalization of neighborhoods throughout the City of Dallas. The program consists of tax abatements, conservation easements, and transfer of development rights. The Department of Development Services administers the Historic Development Program in partnership with the Dallas Landmark Commission, the Dallas Central Appraisal District, and the Dallas County Tax Assessor. The tax abatements apply only to city property taxes; not to other taxes

contacts

The following information is a summary of the Historic Development Program. For a quick overview of the incentives, see the matrix at the end of this packet, but always consult Article XI of the Dallas Development Code for details and conditions. For detailed information, please consult Article XI of the Dallas Development Code at:

<http://www.dallascityhall.org/dallas/eng/html/codes.html>

or contact a Preservation Planner at:

Department of Development Services
1500 Marilla 5CS
Dallas, Texas 75201
Tele 214/939-2849 or 214/939-2850
Fax 214/670-0158

Additional information on the tax abatement application is at:

http://www.dallascityhall.com/dallas/eng/html/historic_preservation.html

For information about Dallas Central Appraisal District, please call:

Dallas County Appraiser
2949 N. Stemmons Freeway
Dallas, Texas 75247
214/631-1342
<http://www.dallascad.org/>

For information or questions about City of Dallas taxes, please contact:

Dallas County Tax Office
500 Elm Street, 1st Floor, Records Building
Dallas, Texas 75202
214/653-7811
http://www.dallascounty.org/html/citizen-serv/tax/taxoffice_home.html

goals

The Historic Development Program fosters the City of Dallas' vision for redevelopment, revitalization, and preservation of historic buildings. The following are the goals of the program, as well as benchmarks for its success:

1. Revitalize older neighborhoods.
2. Support private sector investment in historic properties.
3. Encourage home ownership.
4. Promote pedestrian oriented, ground floor retail in the urban neighborhood.
5. Support new uses for vacant and deteriorated historic buildings.
6. Encourage low and moderate income families to invest in revitalizing neighborhoods.

eligibility

To be eligible for the Historic Development Program, your building must be a contributing structure within a city historic district. The type of incentive available depends on how much you invest in rehabilitation and where your property is located.

Qualified expenditures include work that requires a Certificate of Appropriateness or building permit, as well as work such as sheetrocking, carpentry, electrical, plumbing, mechanical, flooring, and installing fixtures such as sinks, bath tubs, and toilets.

Generally, only work done after issuance of the Certificate of Eligibility may be counted (the Landmark Commission may, however, approve work done prior to issuance of the Certificate of Eligibility if the work was done within the last one year and will further the purpose of the program). Abatements cannot be applied for or issued retroactively. All work must be completed within 3 years after issuance of a Certificate of Eligibility (unless extended by the Landmark Commission).

The program is divided into three areas: Urban Neighborhood, Revitalizing Neighborhoods, and City Wide (see the map at the end of this packet). Where your property is located determines the minimum amount of money you must spend to be eligible. This amount of money is a percentage of the Dallas Central Appraisal District's appraised value of the structure.

urban neighborhood

The urban neighborhood is downtown and its surrounding neighborhoods. The following incentives may be combined, but may not exceed 15 years.

Large Scale Rehabilitation – You may be eligible for a 100% abatement on city property taxes for 10 years if expenditures exceed 75% of the building's appraised value. If the property is in a reinvestment zone the abatement will be on the value of the building excluding land.

Small Scale Rehabilitation – You may be eligible for an added value abatement on city property taxes for 10 years if expenditures exceed 50% of the building's appraised value. If the property is in a reinvestment zone the abatement will be on the value of the building excluding land.

Residential Conversion and/or Ground Floor Retail – You may be eligible for a 100% abatement on city property taxes for 5 years if you convert more than 50% of the building to residential or if you convert more than 65% of the ground floor to retail. The ground-level floor facing the street cannot be used for parking. At least 45% of the building must be occupied after the conversion.

revitalizing neighborhoods

Revitalizing neighborhoods are historically significant neighborhoods that can utilize incentives to encourage home ownership and neighborhood revitalization and stabilization. These neighborhoods are: Lake Cliff, Winnetka Heights, South Boulevard/Park Row, Tenth Street, Wheatley Place, and Peak's Suburban Addition. The following incentives may be combined but may not exceed 19 years.

Owner-Occupied Rehabilitation – You may be eligible for a 100% abatement on city property taxes for 10 years if expenditures exceed 25% of the building's appraised value. The property must be owner-occupied. The abatement may be extended for an additional five years if the building has been occupied by the owner for the original 10 year abatement if the property is in a reinvestment zone the abatement will be on the value of the building excluding land.

Non-Owner Occupied Rehabilitation – You may be eligible for an added-value abatement on city property taxes for 10 years if expenditures exceed 50% of the building’s appraised value. If the property is in a reinvestment zone the abatement will be on the value of the building excluding land.

Maintenance – You may be eligible for an added-value abatement on city property taxes for 3 years, renewable twice for 9 years total, when owner-occupied and maintenance equals or exceeds 3% of the building’s pre-rehabilitation value (excluding land). Maintenance must be done within 12 months after issuance of the Certificate of Eligibility.

city wide

Any location outside of the urban neighborhood and the revitalizing neighborhoods is considered city wide.

Small Scale Rehabilitation – You may be eligible for an added-value abatement on city property taxes for 10 years if qualified expenditures exceed 50% of the building’s pre-rehabilitation appraised value. If the property is in a reinvestment zone the abatement will be on the value of the building structure excluding land.

Other development incentives

Conservation Easements – You may donate a contributing element of the historic building (such as a façade) to the City of Dallas in order to reduce city property taxes and receive a one-time charitable deduction. Maintenance of the building remains the responsibility of the owner.

Transfer of Development Rights – You may transfer a minimum of 20,000 square feet of development rights to another property if the building has been rehabilitated within the past 5 years and that rehabilitation exceeds 50% of the pre-rehabilitation value. Development rights may only be transferred to building sites with CA-1(A) and CA-2(A) zoning. The maximum floor area ratio may be increased by no more that 4.0 through

application process

The application process consists of three steps:

- Step 1. Application for a Certificate of Eligibility.
- Step 2. Application for a Letter of Verification once rehabilitation is complete.
- Step 3. Annual application to Dallas County Appraisal District for the duration of the abatement.

The following forms are attached to this packet:

- Application for Certificate of Eligibility
- Commitment To Repay
- Affidavit regarding taxes, fees, fines, and penalties
- Application for Letter of Verification
- Statement of Completion of Rehabilitation

Step I: Certificate of Eligibility

- Your application for a Certificate of Eligibility (attached) must be submitted by the first Thursday of the month to be included on the Landmark Commission's agenda for the following month.
- Applications may be made for properties designated as historic as well as properties pending designation.
- The building must be a contributing (historic) building within the historic district.
- All sections of the application must be filled out, all documentation must be supplied, and the application must be signed and notarized.
- A draft of Commitment to Repay (attached) must be submitted with the application for a Certificate of Eligibility.
- An affidavit regarding taxes, fees, fines, and penalties (attached) must be submitted with the application for a Certificate of Eligibility.
- Abatements greater than \$50,000 must also be approved by the City Council.

Step II: Letter of Verification

- An application for a Letter of Verification (attached) can be submitted only after the required amount of money has been spent and the property has a Certificate of Occupancy. All work must comply with any Certificates of Appropriateness.
- The Statement of Completion of Rehabilitation (attached) must be signed and notarized.
- All property taxes must be current and no city fees, fines, or penalties may be outstanding. The property must comply with all applicable city ordinances and regulations.
- The final Commitment to Repay must be signed by all owners and lienholders of the property. All signatures on the Commitment to Repay must be acknowledged by a notary. Attach a legal description of the property to the Commitment to Repay. Submit the completed Commitment to Repay to a Preservation Planner for City Attorney approval and signature. It must then be filed at Dallas County Records (500 Main Street, across from the Old Red Courthouse) with a file-marked copy returned to the Preservation Planner.

Step III: Annual Application

- The Preservation Planner will provide a Letter of Verification to the Dallas Central Appraisal District on an annual basis, but the property owner must also make an annual application to the Dallas Central Appraisal District.
- If you do not receive an annual application from the Dallas Central Appraisal District by March 1 of the year, please contact them directly at 214/631-1342.
- If the historic property is demolished or destroyed by the willful act or negligence of the owner, any taxes abated will have to be repaid.

Step 1 Application for Certificate of Eligibility

HISTORIC DEVELOPMENT PROGRAM

I. GENERAL INFORMATION

Project Address:

Legal Description:

Building Name:

Property Owner:

Contact Name:

Mailing Address:

Tele: Fax:

Cell: Email:

II. PROJECT INFORMATION

A. Is your property in a: City Historic District:

Pending City Historic District:

Current use of the building:

Proposed use of the building:

B. Total square footage:

Breakdown of square footage for retail, office, and residential uses:

.....

Number of residential units created:

Number of permanent jobs created:

Number of temporary jobs created:

Construction time:

Completion Date:

Proposed Use:

C. Current DCAD total value (attach tax statement):

Structure: Land:.....

Estimated restoration cost (Exhibit A): ..

D. Previous tax relief granted to any portion of this property? (If so, describe type and duration):

E. Is this property located within a TIF (Tax Increment Finance District)? Yes No
(If yes, please note that you must meet the requirements of Texas Tax Code Section 311.0125 prior to receiving any abatement)

F. Have there been any code violations on the property in the past 5 years? (If so, please describe)

III. ATTACH THE FOLLOWING

- | | |
|---|--|
| <input type="checkbox"/> Tax Statement | Form that lists the appraised property value, obtain from Dallas County Records or from www.dallascad.org |
| <input type="checkbox"/> Tax Certificate | Official form obtained from Dallas County Records |
| <input type="checkbox"/> Certificate of Appropriateness (CA) | Form to approve any exterior work to the historic building. Call 214/670-4538 to request additional forms or visit our website |
| <input type="checkbox"/> Cost estimate of rehabilitation work | Exhibit A – List each item of work and the cost of each item |
| <input type="checkbox"/> Draft Commitment to Repay | Exhibit B – Leave the exemption estimate blank |
| <input type="checkbox"/> Affidavit that taxes are current and no fines are owed | Exhibit C – Sign and notarize |
| <input type="checkbox"/> Copy of the property deed | Copy of the property deed with the legal description of the property |
| <input type="checkbox"/> Photographs | Color photographs showing all elevations to document that the building is contributing (historic) |
| <input type="checkbox"/> A letter of intent | A letter of intent from a financial institution or potential investors for commercial projects with an estimated abatement of \$100,000 or more |
| <input type="checkbox"/> A letter of interest | A letter of interest from a financial institution or potential investors for commercial projects with an estimated abatement of less than \$100,000 |
| <input type="checkbox"/> Design plans | Schematic drawings illustrating proposed rehabilitation work |
| <input type="checkbox"/> A proforma and development budget | Only attach if estimated abatement is over \$100,000 |
| <input type="checkbox"/> Other information | Attach other relevant information |

IV. STATEMENT OF UNDERSTANDING

I certify that the above information is correct.

I authorize members of the Landmark Commission and city officials to visit and inspect the property as necessary to certify eligibility and verification for a tax abatement.

I acknowledge that I have read and understand the program regulations, and that I will not receive an abatement until all program requirements have been met and a letter of verification obtained.

I understand that all rehabilitation work must be completed within 3 years after the date of the Certificate of Eligibility (unless extended by the Landmark Commission).

I understand that I must make an annual application to Dallas County Appraisal District in order to receive the abatement.

.....
Authorized Ownership Representative

.....
Typed/Printed Representative Name

.....
Title

..... County, State of

SWORN TO AND SUBSCRIBED before me, the undersigned notary public in and for the
State of _____, by _____ this
_____ day of _____ 20 _____.

.....
Signature of Notary

Notary Seal

EXHIBIT A: Cost Estimates of Exterior Rehabilitation Work

Exterior Rehabilitation Work: work requiring a Certificate of Appropriateness, building permit, electrical permit, plumbing permit, or other project permit

Type of Work: Describe in detail	Amount
Foundation:	
	\$
Windows:	
	\$
Porch:	
	\$
Roof:	
	\$
Siding:	
	\$
Doors:	
	\$
Other:	
	\$
Sub-total of Exterior	\$

EXHIBIT A: Cost Estimates of Interior Work

Interior Work: repair or installation of sheetrock, carpentry, repair or replacement of original floors, mechanical and electrical work, and interior painting

Type of Work: Describe in detail	Amount
Sheetrocking:	
Carpentry:	
	\$
Flooring:	
	\$
Mechanical:	
	\$
Electrical:	
	\$
Interior Painting:	
	\$
Heating & Cooling:	
	\$
Other:	
	\$
Sub-total of Interior	\$
Total - Exterior and Interior	\$

EXHIBIT B

COMMITMENT TO REPAY

STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS:
COUNTY OF DALLAS §

That _____, a _____, ("the owner") is the owner of that certain tract of real property located in Lot _____ Block _____, in the City of Dallas, Dallas, County, Texas, with the street address of _____, more particularly described in Attachment 1, which is made a part of this instrument for all purposes.

This commitment to repay is made by the owner for the benefit of the City of Dallas, a Texas municipal corporation. In consideration of the abatement, the owner hereby covenants and agrees as follows:

1. DEFINITIONS The definitions contained in Dallas Development Code, Article XI, Division 51A-11.100, "Historic Development Program," as amended, apply to this commitment to repay.

2. REPRESENTATIONS The owner makes, and the City of Dallas has relied upon, the following representations:
 - a. That the Dallas Central Appraisal District has assigned Tax No. _____ to the historic property.

 - b. That the historic property contains one or more contributing structures within Historic Overlay District No. _____ (the _____ Historic Overlay District) or a potentially contributing structure.

- c. That, based on the owner continuing to qualify and apply for the abatement, the current appraised value of the historic property as determined by Dallas Central Appraisal District, and the estimated value of the historic property during the abatement, an estimated \$_____ in total taxes will not be paid by the owner to the City of Dallas over a _____year period because of the abatement.
- d. That the owner has submitted a complete application, and has met all applicable requirements and has qualified for an abatement pursuant to Dallas Development Code, Article XI, Division 51A-11.100, "Historic Development Program," as amended.
- e. That the Landmark Commission has issued a certificate of eligibility designating the historic property as a historically significant site in need of tax relief to encourage its preservation.
- f. That the cost of rehabilitation has exceeded the percentage of pre-rehabilitation value specified in the applicable section of Dallas Development Code Article XI, Division 51A-11.100, "Historic Development Program," as amended.
- g. That the owner has obtained approval of any necessary certificates of appropriateness.
- h. That if the historic property is located in a reinvestment zone (also known as a TIF district) designated under Chapter 311 of the Texas Tax Code, the requirements of Texas Tax Code Section 311.0125 have been met.
- i. That for abatements exceeding \$50,000, the abatement has been reviewed and approved by the Dallas City Council.
- j. That all rehabilitation has been completed and a certificate of occupancy has been obtained for the historic property within three years after the date of the certificate of eligibility (unless extended by the Landmark Commission).

- k. That the owner has obtained a letter of verification.
 - l. That for applications based upon residential conversion or ground-floor retail conversion, (1) the ground-level floor facing the street will not be used for parking, and (2) the requisite percentage of floor area has been occupied, and (3) the requisite percentage of floor area has been changed from nonresidential uses to residential uses or the requisite percentage of floor area has been converted to ground-floor retail.
 - m. That all property taxes and any city fees, fines or penalties are not delinquent on the historic property.
 - n. That all property taxes are current and that no city fees, fines, or penalties are owed on any property owned by any partnership in which the owner is a partner.
 - o. That the historic property complies with all applicable city ordinances and regulations.
 - p. That if there are liens, other than liens for ad valorem taxes, against the historic property, all such lienholders have subscribed below. If there are no lienholder subscriptions below, the owner represents that there are no liens, other than liens for ad valorem taxes, against the historic property.
3. COMMITMENT TO REPAY If the Dallas City Council determines, after giving notice and hearing to the owner, that the contributing structure has been totally or partially destroyed or significantly altered by the willful act or negligence of the owner or his representative in violation of the preservation criteria contained in the historic district ordinance, the abatement will terminate, and the owner shall immediately repay to the City of Dallas all of the tax revenues that were not paid because of the abatement.
4. DURATION This commitment to repay will remain in full force and effect in perpetuity.

5. CITY AUTHORITY This commitment to repay does not restrict the right of the Dallas City Council to exercise its legislative duties and powers.
6. ENFORCEMENT This commitment to repay inures to the benefit of, and is enforceable by, the City of Dallas. The owner does hereby grant to the City of Dallas the right to prosecute or take appropriate action, at law or in equity, against the owner to enforce the covenants and agreements contained in this commitment to repay. If the City of Dallas substantially prevails in a legal proceeding to enforce these covenants and agreements against the owner, the City of Dallas is entitled to recover damages, reasonable attorney's fees, and court costs from the owner. A payment due to the City of Dallas under this commitment to repay is a lien against the historic property.
7. INDEMNIFICATION The owner shall defend, indemnify, and hold harmless the City of Dallas from and against all claims or liabilities arising out of or in connection with this commitment to repay.
8. GOVERNING LAW AND VENUE This commitment to repay is governed by the laws of the State of Texas. Venue for any legal action lies exclusively in the county in which this commitment to repay is recorded.
9. SEVERABILITY The invalidation or unenforceability of a provision in this commitment to repay by a court will in no way affect any other provision, which will remain in full force and effect, and to this end the provisions are declared to be severable.
10. COVENANTS RUNNING WITH THE LAND The covenants and agreements contained in this commitment to repay are covenants and agreements running with the land, are binding upon the owner and its successors in interest, assigns, administrators, beneficiaries, heirs, executors, and other legal representatives, and are binding upon any person, corporation, or other legal entity having or acquiring any right, title or interest in or to any part of the historic property.

11. RECORDATION This commitment to repay must be filed in the Deed Records of Dallas County, Texas, at the sole cost and expense of the owner. After this filing, the owner shall provide the Director of the City of Dallas Department of Development Services with a file-marked copy of the commitment to repay.

EXECUTED this _____ day of _____ ,
20 _____

Owner's name: _____

Signature: _____

Printed name: _____

Title: _____

CONSENT AND CONCURRENCE OF LIENHOLDER(S):

Lienholder: _____

Signature: _____

Printed name: _____

Title: _____

APPROVED AS TO FORM:

MADELEINE B. JOHNSON, City Attorney

By: _____

Assistant City Attorney

The owner must attach a property description

The owner must attach the appropriate acknowledgement(s) for the owner and lienholders

ATTACHMENT 1

PROPERTY DESCRIPTION

Step 2 Application for Letter of Verification

HISTORIC DEVELOPMENT PROGRAM

I. GENERAL INFORMATION

Project Address:
Building Name:
Property Owner:
Contact Name:
Mailing Address:
Tele: Fax:
Email: Cell:

II. ATTACH THE FOLLOWING

- Approved Certificate of Eligibility
- Statement of Completion of Rehabilitation (**Exhibit D**)
- Receipts demonstrating money spent
- Historic Designation Ordinance
- Executed Commitment to Repay (All signatures must be acknowledged, all lienholders must also sign, must be filed with Dallas County Records, must be approved by city attorney)
- Council Resolution for abatements over \$50,000
- Certificate of Occupancy
- Proof that property taxes and any city fees, fines or penalties are not delinquent
- Affidavit that all property taxes are current and that no city fee, fines, penalties are owed on any property owned by any partnership in which the owner is a partner
- Proof that there are no pending city code violations
- Proof that §311.0125 has been met for TIF properties

For Staff Use Only

Date Received: _____ Is work in compliance with CA? _____
Site Visit Date: _____

Check the following received:

- | | |
|--|--|
| <input type="checkbox"/> Approved Certificate of Eligibility | <input type="checkbox"/> Statement of Completion of Rehabilitation |
| <input type="checkbox"/> Receipts showing minimum spent | <input type="checkbox"/> Certificate of Occupancy |
| <input type="checkbox"/> Signed Commitment to Repay | <input type="checkbox"/> Council Resolution (if applicable) |
| <input type="checkbox"/> Executed Commitment to Repay | <input type="checkbox"/> Historic Designation Ordinance |

LETTER OF VERIFICATION DATE: _____ **Planner's Initials:** _____

EXHIBIT D

5. The records attached hereto are receipts or other documentation proving that the required rehabilitation has actually been done. The receipts or other documentation attached hereto are the original or exact duplicates of the original.

6. All rehabilitation counted has been done within three years after the date of the certificate of eligibility (unless extended by the Landmark Commission)."

EXECUTED this _____ day of _____ ,
20____.

Owner's Name

Signature:_____

Printed name: _____

Title:_____

The owner must attach the appropriate acknowledgement(s)

(Rev. 7-04)



CITY OF DALLAS HISTORIC DEVELOPMENT PROGRAM

TYPE OF INCENTIVE	URBAN NEIGHBORHOOD	REVITALIZING NEIGHBORHOODS	CITY WIDE
LARGE SCALE REHABILITATION	100% abatement for 10 years when costs exceed 75% of structure's pre-rehabilitation value *	N/A	N/A
SMALL SCALE REHABILITATION	Abatement on added value for 10 years when costs exceed 50% of structure's pre-rehabilitation value *	Abatement on added value for 10 years when costs exceed 50% of structure's pre-rehabilitation value * (If not owner occupied)	Abatement on added value for 10 years when costs exceed 50% of structure's pre-rehabilitation value *
OWNER-OCCUPIED REHABILITATION	N/A	100% abatement for 10 years when costs exceed 25% of structure's pre-rehabilitation value and is owner-occupied, abatement may be extended for an additional five years if the building remains owner occupied *	N/A
RESIDENTIAL CONVERSION AND/OR GROUND FLOOR RETAIL	100% abatement for 5 years if 45% occupied and convert more than 50% of floor area to residential and/or 65% of ground floor to retail	N/A	N/A
MAINTENANCE	N/A	Abatement on added value for 3 years, renewable for 9 years total, when owner-occupied and costs equal or exceed 3% of structure's pre-rehabilitation value	N/A
CONSERVATION EASEMENT	City accepts donation of character defining feature of historic property	N/A	N/A
TRANSFER OF DEVELOPMENT RIGHTS	Transfer minimum 20,000 square feet if rehabilitated in past 5 years and costs exceed 50% of pre-rehabilitation value	N/A	N/A

* Except that if the property is in a reinvestment zone the abatement will be on the value of the contributing structure (excluding land).

Please consult with Article XI of the Dallas Development Code for the official program regulations. Information and applications for the Historic Development Program can be downloaded from: http://www.dallascityhall.com/dallas/eng/pdf/planning/Preservation_Incentives_Application.pdf, or by calling a Preservation Planner at 214/670-4538.