



*Stephanie
Rawlings-Blake
Mayor*

PLANNING COMMISSION

Wilbur E. "Bill" Cunningham, Chairman



*Thomas J. Stosur
Director*

STAFF REPORT

November 19, 2015

REQUEST: City Council Bill #15-0585 / Tax Credits – Historic Properties

For the purpose of extending the period within which applications may be accepted for an historic improvement tax credit; clarifying the definition of "eligible improvements"; restating the purpose and goal of this credit; modifying certain criteria for a credit limitation imposed on development projects that exceed a certain amount in construction costs; modifying certain procedures for adopting rules and regulations governing the credit; providing for a special effective date; and generally relating to the property tax credit for improvements, restorations, and rehabilitations to historic properties.
(Citywide)

RECOMMENDATION: Approval

STAFF: Stacy Montgomery

PETITIONER: City Council President – Administration

BACKGROUND/HISTORY

- Ordinance # 95-668, approved December 4, 1995
- Ordinance # 97-183, approved August 5, 1997, amending the existing legislation to require the approval of the Department of Finance for projects over \$ 3.5 million
- Ordinance # 00-103, approved December 4, 2000, extending the application deadline to January 3, 2006
- Ordinance # 07-597, approved May 29, 2007, extending the application deadline to February 28, 2009
- Ordinance #09-0263, approved March 12, 2009, extending the application deadline to February 28, 2014
- Ordinance #13-0287, approved February 3, 2014, extending the application deadline to February 29, 2016.

CONFORMITY TO PLANS

- This program is in conformance with the Baltimore City Comprehensive Master Plan. The historic tax credit is helping our City to accomplish several major goals including 1) Strengthening neighborhoods through direct and indirect investment; 2) Elevating the design and quality of the built environment by requiring all projects to meet CHAP's Design Guidelines; 3) Returning underutilized buildings

to productive use and 4) Enhancing the stewardship of Baltimore's historical and cultural resources.

ANALYSIS

Designed to encourage the restoration and rehabilitation of historic properties to the highest quality standards, and to increase livability and attractiveness in our City's neighborhoods, the historic tax credit is granted on the assessment increase directly resulting from qualifying restoration work, and is fully transferable to a new owner if the property is sold before its ten year credit life ends. It is administered by the Commission for Historical and Architectural Preservation (CHAP) through the Historical and Architectural Preservation Division of the Department of Planning. The City's Department of Finance creates the Rules and Regulations and calculates and applies the tax credit to tax bills.

This program has made it possible for residential as well as commercial property owners to undertake comprehensive rehabilitation projects that significantly contribute to the character and quality of life of our historic districts and their communities in general, by not only encouraging investing in our historic districts, but also ensuring quality in design and material. This program is utilized throughout a wide cross section of Baltimore's historic neighborhoods, from Mount Vernon to East Monument, from Reservoir Hill to Canton. To date more than \$765 million have been invested in many of the 80 historic districts and individually designated historic landmarks. Since its establishment in 1996, the program has received nearly 4,000 applications for the rehabilitation of historic properties; nearly 3,000 of those properties have been certified or are in the process of being certified for the historic tax credit upon project completion.

Notification: Over 300 concerned citizens were emailed, along with representatives from City Agencies.



Thomas J. Stosur
Director