



Legislation Text

File #: HPB Reso 01-2019, **Version:** 1

Agenda Date: 02/21/19

Subject:

A resolution of the Historical Preservation Board approving an application for state income tax credit for a rehabilitation of a historic property known as the Eson-Malcolm Residence, 5603 South Prescott Street.

Presented By: Andrea Mimnaugh, Historic Preservation Planner
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APPLICATON SUMMARY:

Project Name:	Hueser Tax Credit Project for Tax Year 2018
Case Number:	HTAX19-0001
Application Type:	State Income Tax Credit Project, Parts 1 and 2
Building Name:	Eson-Malcolm Residence
Location:	5603 South Prescott Street
Owner/ Applicant:	David Hueser

BACKGROUND:

In accordance with CRS §39-22-514.5 and CC Resolution 19-2018, the Littleton Historical Preservation reviews applications for the state income tax credit for historic properties.

The applicant, David Hueser, is the owner of the Eson-Malcom Residence, located at 5603 S. Prescott Street. The home was built in the Colonial style in 1926, and in 2006, city council designated the property as a historic landmark. The rehabilitation project completed by the applicant includes replacement of mechanical systems, including a furnace, installation of a new sewer main, and upgraded electrical systems for the residence. This application includes both parts 1 and 2 of the state income tax application.

Note that all work is interior to the structure or is site work and thus a certificate of historic appropriateness is not required.

PROCESS:

Applications for tax credits are submitted to staff. Complete applications are forwarded to HPB for review and approval. Upon approval by the HPB, staff will complete a tax credit certificate for the applicant's tax return.

PROJECT DESCRIPTION:

The applicant's project is a replacement of mechanical and electrical systems in his home, known as the Eson-Malcolm Residence. The following work was completed for this project:

- Sewer main replacement • Sod replacement •
- Furnace replacement • Electrical Repair,
- replacement • Sewer, drain repair, line jetting •
- Central air-conditioning repair



The total cost of the work is \$16,431. If the application is approved, the applicant will receive a state income credit for 25 percent of the total cost under the state income tax credit program for historic properties, as specified in CRS §39-22-514.5.

CRITERIA:

In order to receive the credit, the application must meet all criteria established in CRS §39-22-514.5 which are as follows:

1. The property must be:

- a) **Listed on the National Register of Historic Places**
- b) **Listed on the Colorado State Register of Historic Places;**
- c) **A designated City of Littleton historic landmark; or**
- d) **A contributing property in a City of Littleton designated historic district**

The Eson Malcolm House is a City of Littleton designated historic landmark. This criterion is met.

2. The applicant must be the owner of the property, or a tenant with a lease of 5 years or more.

The applicant is the owner of the property for over five years. This criterion is met.

3. Projects must involve physical preservation, restoration or rehabilitation of historic buildings. A project can include multiple work items.

The project includes a sewer main replacement, furnace replacement and electrical repair.

4. Eligible work must be considered a qualified expense, as defined in CRS 39-22-514.5.

The project includes a sewer main replacement, furnace replacement and electrical repair. These expenses appear to be consistent with CRS 39-22-514.5. However, the sewer main installation including the sod replacement may not be eligible. The determination of qualified expenses is made by the state, rather than by the HPB.

5. Qualified expenses must total a minimum of \$5,000.

The cost of the project described under #4, above, is \$16,431 and therefore meets this criterion.

6. The overall project must be completed within 24 months and the application must be submitted to

the city within 60 days of the project completion date.

The project starting date and completion date are January 29, 2018 and November 21, 2018, respectively. The project was completed in approximately 11 months.

The application was received by the city on January 11, 2019. This date is 51 days following the completion of the project.

The timing of the project and its submittal to the city for review meet the requirements of the tax credit program.

7. The work must be consistent with the Secretary of the Interior's Standards.

The following table includes applicable standards and a guideline for the completed project.

Secretary of Interior's Standards and Guidelines for Rehabilitation of Historic Structures	Meets Standard
Standard #1: A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.	The property remains as a residential use and there are no modifications to the exterior of the building as part of this project. This criterion appears to be met.
Standard #5: Distinctive materials, features, finishes and construction techniques or examples of craftsmanship that characterize a property will be preserved.	The exterior of the home will not be altered. On the interior, all work is located in the basement where there are no significant historic features that characterize the property. This criterion appears to be met.
Mechanical Systems Guideline: Installing a new mechanical system, if required, so that it results in the least alteration possible to the historic building and its character-defining features.	The installation of the replacement sewer line, the new furnace and the electrical work is all in the basement or is site work. There are no impacts to character-defining features of the building with this project. This criterion appears to be met.

STAFF RECOMMENDATION:

Staff finds that the applicable criteria for a tax credit appear to be met and recommends approval of the application.

Please reference the following attachments regarding this application:

1. Draft HPB Resolution 01-2019
2. Application Materials parts 1 and 2
3. For Reference: Historic Building Inventory Record for Eson-Malcolm Residence
4. For Reference: Secretary of the Interior's Standards and Guidelines

OPTIONS/ALTERNATIVES:

The historical preservation board may take the following actions on the application: approve; approve with conditions; continue to a date certain; and deny. A sample motion is provided for each option along with suggested findings.

STAFF RECOMMENDATION:

Staff finds that, in compliance with CRS §39-22-514.5 and City Council Resolution 66-2018, the completed rehabilitation project for the Eson-Malcolm Residence, as described in this report, appears to meet applicable eligibility requirements and is consistent with the Secretary of the Interior's Standards for Rehabilitation of Historic Structures. Staff, therefore, recommends approval of HPB Resolution 01-2019, approving the state income tax credit application for 5603 S. Prescott Street.

PROPOSED MOTION:

Motion to Approve and/if necessary, with Conditions

I move to approve HPB Resolution 01-2019, approving the state income tax credit application for the Eson-Malcolm Residence, 5603 South Prescott Street and direct staff to complete a certificate of approval to be forwarded to the applicant for inclusion in his 2018 tax return, *with the following conditions:*

- 1.
- 2.

Motion to Continue to a Date Certain

I move to continue the discussion on HPB Resolution 01-2019, concerning the state income tax credit application for the Eson-Malcolm Residence, 5603 South Prescott Street, to _____ (insert date) in order to _____.

Motion to Deny

I move to deny HPB Resolution 01-2019, concerning the state income tax credit application for the Eson-Malcolm Residence, 5603 South Prescott Street. The foregoing denial is based on the findings that the proposed work:

Note: Identify criterion or criteria not met and adjust motion accordingly:

1. The structure or project is not eligible for consideration of a state tax credit per CRS §39-22-514.5 and City Council Resolution 66-2018.
2. The completed work is inconsistent with the Secretary of the Interior's Standards and Guidelines for Rehabilitation of Historic Structures.