

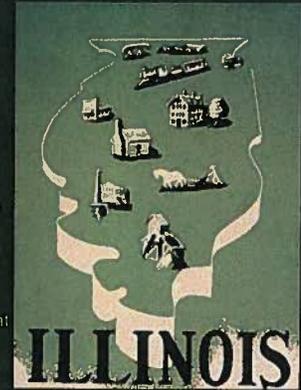
## property tax assessment freeze program



anthony rubano  
illinois historic  
preservation agency

## illinois historic preservation agency

- historic sites
- presidential museum
- preservation services ("shpo")
  - federal programs
  - state programs
    - property tax assessment freeze



## state property tax assessment freeze

### agenda

- benefits
- examples
- requirements
- website
- application form



## state property tax assessment freeze

### benefit to owner

8 years assessment frozen at pre-rehab level + 4 years assessment steps up in even increments = 12 years of reduced property taxes

- no cost to apply
- no-obligation process

## state property tax assessment freeze

### benefit to owner

- removes perceived disincentive to reinvestment



## state property tax assessment freeze

### benefit to owner

- rewards owner-occupants for sensitively reinvesting in their homes



state property tax assessment freeze

benefit to community

- strengthens neighborhoods and housing stock



state property tax assessment freeze

benefit to community

- reusing the built environment is sustainable



state property tax assessment freeze

benefit to community

- encourages longer tenure for residents



state property tax assessment freeze

benefit to community

- encourages protection of historic structures through promotion, recognition, & designation



state property tax assessment freeze

benefit to community

- encourages substantial rehabs, which increase property values



state property tax assessment freeze

benefit to community

- encourages district-wide reinvestment



assessment freeze example



1716 n. sedgwick, chicago, ca. 1880

assessment freeze example



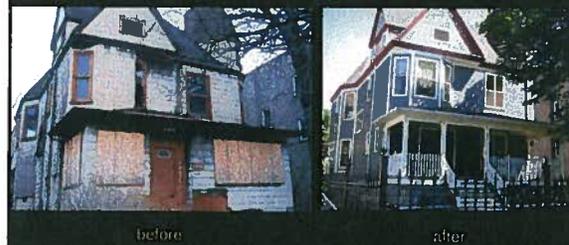
312 n. church, jacksonville, ca. 1910

assessment freeze example



1019 chicago ave., oak park, 1892

assessment freeze example



4623 s. ellis, chicago, ca. 1890

assessment freeze example



137 s. humphrey, oak park, ca. 1910

assessment freeze example



627 st. louis st., edwardsville, ca. 1870

## assessment freeze example



416 s. oak park ave., oak park, ca. 1890

## assessment freeze requirements similar to 20% income tax credit

1. use
2. significance
3. project budget
4. scope of work



## assessment freeze requirements

1. use: owner-occupied housing
2. significance: "historic"
3. budget: > 25% "fair cash value"
4. scope: meets "standards"

## assessment freeze requirements 1. use: owner-occupied housing



single family

up to 6-flat if 1 is  
owner-occupied

condos &  
co-ops

## assessment freeze requirements 2. significance: "historic"

- national register
  - individually listed
  - contributing to a historic district
- certain local
  - individually listed
  - contributing to a historic district

35 estate drive, 1961  
local glencoe landmark



## assessment freeze requirements 2. local significance: "opt out"

- a taxing district may "opt out" by notifying the assessor & the county clerk at the beginning of each calendar year. the freeze will not apply to taxes levied by that taxing district.
- active freezes or rehabs in process will not be affected by a taxing district's "opt out."
- contact assessor or county clerk to determine if any taxing districts have opted out.

## assessment freeze requirements

2. local significance: counties with approved ordinances

- kane county
- mchenry county
- sangamon county
- will county

local landmarks in unincorporated areas qualify for the freeze

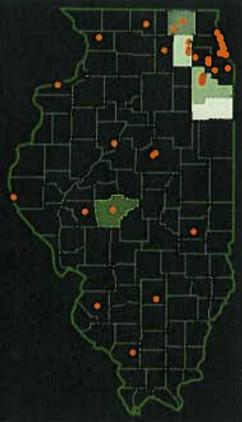
## assessment freeze requirements

2. local significance: municipalities (as of 8/2010)

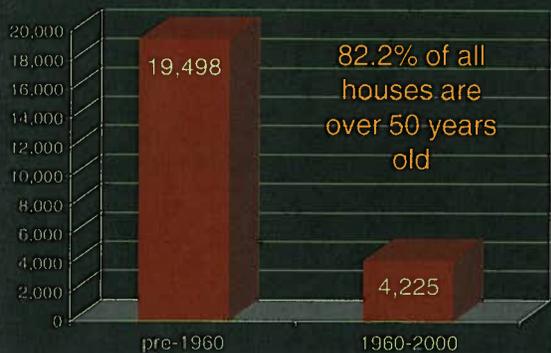
- belleisle
- bloomington
- blue island
- carbondale
- centralia
- charleston
- chicago
- dekalb
- elgin
- evanston
- geneva
- glencoe
- highland park
- hinsdale
- jacksonville
- joliet
- lemont
- lockport
- lombard
- marengo
- mount carroll
- normal
- oak park
- orland park
- peoria
- quincy
- rock island
- rockford
- st. charles
- springfield
- west chicago
- wilmette
- winnetka
- woodstock

## assessment freeze

2. significance: certain local counties and municipalities with approved ordinances

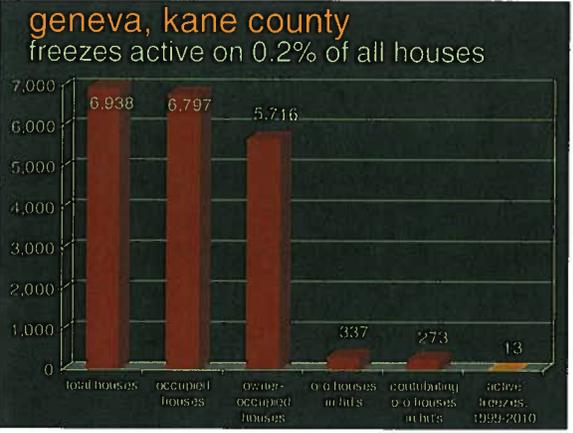
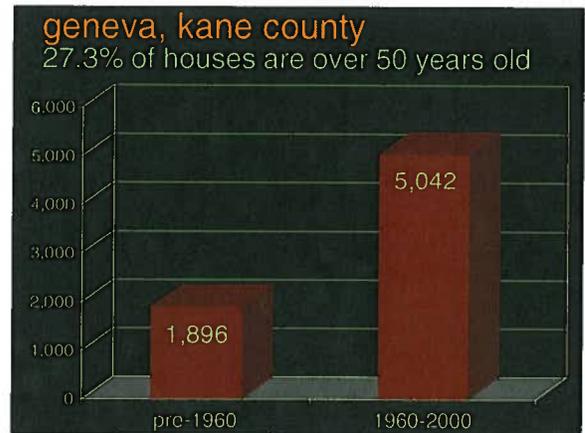
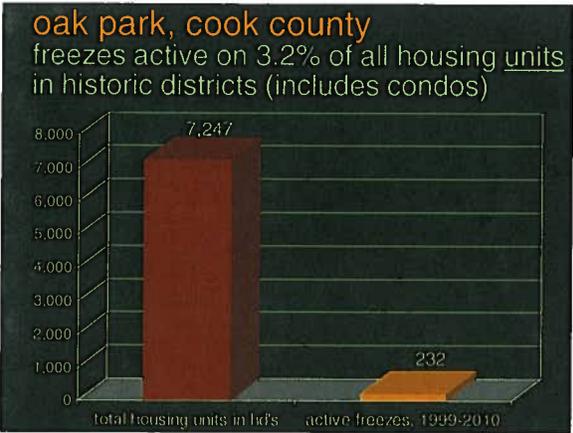


## oak park, cook county potentially "landmarkable"



## oak park, cook county freezes on 0.7% of all sing-fam houses





### assessment freeze requirements

3. budget:

- spend > 1/4 of assessor's "fair cash value" for the year the work starts
  - a.k.a. "fair market value", "property value"
  - determined by assessor

minimum expenditure =  $\$370,888 \times 0.25 = \$92,722$

### assessment freeze requirements

3. budget, multi-unit buildings:

- spend > 1/4 of aggregate assessor's "fair cash value"
  - minimum expenditure includes work on common areas *and* work within units
  - if some units do work that when combined exceeds minimum expenditure, all units can get freeze
  - all work in the bldg must meet standards

### assessment freeze requirements

3. budget:

- what counts
  - construction costs, even to later existing additions
  - depreciable soft costs (a/e fees, survey, legal)
- what doesn't
  - acquisition
  - furnishings
  - new additions
  - landscape
  - site improvements

### assessment freeze requirements

#### 3. budget timeline:

- exceed your "minimum expenditure":
  - within a sliding 24-month window
  - start window today, or
  - can slide window 24 months into the past for a start date of 48 months ago

A horizontal timeline with vertical tick marks. The labels from left to right are: "4 years ago", "3 years ago", "2 years ago", "1 year ago", "today", "1 year from now", and "2 years from now". A horizontal bar labeled "project" in orange is positioned between the "1 year ago" and "1 year from now" marks.

### assessment freeze requirements

#### 3. budget:

- do-it-yourself labor
  - use this form
  - use fed min. wage (\$7.25/hr)
  - a professional can charge prof. rate for work in that profession

A form titled "Shelburne Historic Preservation Agency Property Site Assessment Form". It includes sections for:
 

- 1. Name of property: Street, City, State, County, Zip, Name of land or historical register/registry, owner.
- 2. Property address: Street, City, State, Zip, City/area name.
- 3. Labor information: A table with columns for Date, Work description, Hours, Rate, and Total.
- 4. Signature: A line for the assessor's signature and name.

### assessment freeze requirements

#### 4. scope: work must meet "standards"

The cover of the "Standards for Rehabilitation" document. It features the SHSR logo and the text:
 

- STANDARDS FOR REHABILITATION: NATIONAL PARK SERVICE
- SHSR
- GUIDELINES: The Secretary of the Interior National Historic Preservation Act
- 1. A property will be used as it was historically or be given a new use that is quite different from its historic use.
- 2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alterations of features, spaces, and spatial relationships will be avoided.

### assessment freeze requirements

#### 4. scope: work must meet "standards"

- as promulgated by the national park service
- both exterior and interior
- different than a commission's review (and that's okay)

The National Park Service logo, featuring a bison, a tree, and mountains within a shield shape, with the text "NATIONAL PARK SERVICE" below it.

### secretary of the interior's standards for rehabilitation

- determine what's significant
  - prominent facades (exterior)
  - prominent spaces (interior)
  - prominent features (exterior and interior)
- retain and repair that
- can alter or retain the rest, if desired
- goal: retain authenticity

### secretary of the interior's standards for rehabilitation

Three photographs illustrating the Secretary of the Interior's standards for rehabilitation:
 

- facades: A photograph of a two-story house with a prominent facade.
- spaces: A photograph of an interior staircase with a wooden railing.
- features: A photograph of a wooden door with a glass insert.

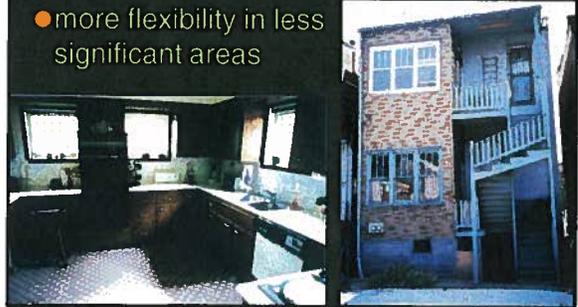
### secretary of the interior's standards for rehabilitation

- rehabilitation, not restoration standards



### secretary of the interior's standards for rehabilitation

- more flexibility in less significant areas



### secretary of the interior's standards for rehabilitation

- additions should not be visible from the public way



611 n kenilworth, oak park, 1911

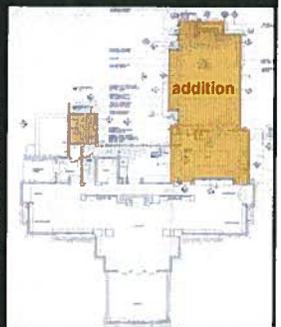


### secretary of the interior's standards for rehabilitation

- additions should not be visible from the public way



611 n kenilworth, oak park, 1911



### secretary of the interior's standards for rehabilitation

- retain and repair historic windows
- add storms, if desired



### assessment freeze website

[www.illinoishistory.gov/PS/financial.htm](http://www.illinoishistory.gov/PS/financial.htm)

- benefits
- 4 requirements ("provisions")
- certification procedure
  1. contact us to see if you qualify
  2. read the info
  3. submit parts 1 & 2
  4. submit part 3



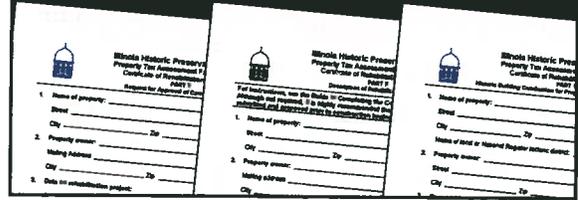
**assessment freeze website**  
[www.illinoishistory.gov/PS/financial.htm](http://www.illinoishistory.gov/PS/financial.htm)

- frequently asked questions
- guide to completing the application
- standards
- link to download the application



**assessment freeze application**  
 three parts

- part one: historic or not?
- part two: describe the work, with photos
- part three: "i'm finished"



**assessment freeze application**  
 part one: certification of contributing status

- certifies that the property is indeed "historic," i.e., contributing within a historic district
- not required if individually listed

**assessment freeze application**  
 part one: what do you submit?

- signed completed form
- a few exterior photos (labeled)



**assessment freeze application**  
 part one: form

- statement of significance
  - short description (i.e., brick, 2 story)
  - significance (i.e., like others in district)

**assessment freeze application**  
 part one: ihpa's review

- within 45 days of receipt, ihpa will:
  - certify it's contributing or
  - certify it's contributing if certain work is done or
  - determine it's not contributing



## assessment freeze application part two: description of rehabilitation

- the heart of the application
- describes 'features' & proposed work
- include all work items, even in non-historic areas
- more sheets on web

The form is titled 'IHPA Form 100 - Description of Rehabilitation' and is issued by the Illinois Historic Preservation Agency. It is divided into two main columns: 'Proposed Rehabilitation' and 'Existing Conditions'. Each column has three rows, each with a 'Particular' section and a 'Comments' section. The 'Particular' sections include fields for 'Location', 'Material', and 'Condition'. The 'Comments' sections are for describing the work to be done or the current state of the building.

## assessment freeze application part two: what do you submit?

- signed completed form
- "before" photographs
- plans, if produced
- historic photos, if germane to current work

This is an identical copy of the form shown in the first slide, titled 'IHPA Form 100 - Description of Rehabilitation'.

## assessment freeze application part two: photos and plans



- photos should show the good and the not so good

## assessment freeze application part two: ihpa's review

- within 45 days of receipt, ihpa will:
  - ask for more info or
    - might call or ask for site visit
  - approve project or
  - approve project with conditions or
  - deny project



## assessment freeze application part two: ihpa's review

- if approved with conditions, owner decides if s/he wants to continue
- no obligation



## assessment freeze application part two: ihpa's review

- if denied, owner can file an appeal
- appeal scheduled in springfield with gov-appointed appeals officer



## assessment freeze application parts one and two

- fill out and submit parts 1 and 2 **before** work begins



## assessment freeze application part three: approval of completed work

- proves work was done as described in part 2
- provides budget numbers
- info may be helpful to commissions

## assessment freeze application part three: what do you submit?

- signed completed form
- "after" photographs
- proof of expenditure
- do-it yourself form, if applicable

## assessment freeze application part three: form

- "pin" number
  - property id number
  - parcel index number
- listed on tax bill

## assessment freeze application part three: form

- assessed value for year work began
  - this is the number that is frozen for 8 years then steps up for 4

## assessment freeze application part three: form

- total of eligible expenses
  - cost only for the rehab of the existing building
- total of ineligible expenses
  - everything else
- adding these gives total project cost

## assessment freeze application part three: form

- total number of housing units before rehab
- total number of housing units after rehab

## assessment freeze application part three: photos

- labeled, color, on glossy paper
- ideally, views match the part 2 photos



davenport house by frank lloyd wright, 1901

## assessment freeze application part three: proof of expenditure

- copies of:
  - cancelled checks, paid bills or invoices, credit card statements, contractors' liens
- spreadsheet of totals helpful, not required
- do-it yourself form, if needed

## assessment freeze application part 3: ihpa's review

- ihpa will:
  - approve project, then mail "certificate of rehabilitation" to owner & assessor
  - or
  - ask for more info
  - or
  - deny project

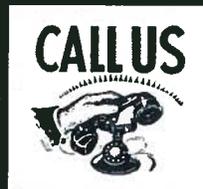
## assessment freeze flipping? yes.

- developer can sell with freeze when done
- developer fills out & submits parts 1 & 2
- first "owner-occupant" submits part 3



## thank you

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www.illinois-history.gov  
www.cr.nps.gov/hps