

APPLICATION GUIDANCE FOR THE STATE INCOME TAX CREDIT FOR REGISTERED CULTURAL PROPERTIES

This brief supplement to the instructions provided in the application forms is intended to offer guidance to applicants and make the process as smooth as possible. Prospective applicants should also refer to the sample (Part 1) application for an idea of what Historic Preservation Division (HPD) staff and the Cultural Properties Review Committee (CPRC) hopes to see in each application. Detailed information is essential to evaluate a proposed rehabilitation project. Please provide complete applications to avoid issues or delays in the review process.

General Guidance:

- Please submit applications **electronically** to NM.SHPO@dca.nm.gov and matt.saionz@dca.nm.gov. The application forms were designed in Adobe as fillable PDFs with the intent of making electronic submission more convenient. Applicants with Adobe or a web browser extension should be able to easily fill out the form. Electronic submission is the preferred method.
- If you are unable to complete the fillable PDF, you can print out the form, fill it out by hand, scan the pages using any number of free scanning apps on a smart phone, and submit the application together with all required materials (all in a single PDF if possible) via email. Submissions via U.S. mail are accepted but not preferred.
- Complete applications must be received by the application deadlines found on the HPD website at nmhistoricpreservation.org. Incomplete or late applications will be scheduled for the next bimonthly CPRC meeting. The submission deadlines fall on Fridays and occur 14 days prior a CPRC meeting. For electronic submissions (preferred), applications will be accepted in the SHPO/staff inbox until 11:59PM of the deadline day. For mail submissions (discouraged), applications must be received by HPD during normal business hours on the deadline day.
- Digital photos should be high resolution and in color. Most cell phones can meet these standards.
- Be sure to sign at the end of the application in the appropriate field. *Only sign when you are finished* to avoid locking yourself out of the document. There are at least a few ways to do this in Adobe:
 1. Digitally sign: All Tools>>Use a Certificate>>Digitally sign>>Draw a box in the signature field>>Use existing Digital ID or configure a new one (Leave box to lock document after signing *unchecked*.)
 2. Add image: All Tools>>Edit a PDF>>Image>>Insert scan/image of your signature>>Adjust size to fit
 3. Electronically sign: E-Sign>>Select signature (automated or scanned)>>Insert in signature field (Note that this method will lock the PDF for HPD staff, so it is preferred applicants use methods 1 or 2.)(If the application is completed by hand, sign and scan.)
- Please leave the Certification page at the end of each application blank, although do still include it in the application. This page will be completed by HPD staff following CPRC meetings.

For Part 1 Applications:

- Eligible properties must be either listed individually in the State Register of Cultural Properties or a contributing property in a historic district that is listed in the State Register of Cultural Properties (**section 1**). If you are unsure of a property's status, please contact HPD staff.

- Do not neglect the property description and photographs capturing all sides of the building (**section 3**), even if you have already provided them in a previous Part 1 application. In addition to providing a property history, information regarding alterations, additions, or changes since listing assists in determining project eligibility. Please note that the number of photos included in the sample application correlates to the large size of the building, and most applications will not need as many as the sample. However, the more photos provided, the better.
- Floor plans and/or diagrams indicating areas of proposed project work are useful in orienting HPD staff and the CPRC who may not be familiar with the property. Keying the floor plans/diagrams to photos is the most effective way to communicate the locations of the proposed work.
- The description of the proposed rehabilitation work (**section 4**) is the most important part of the form. The application is formatted to accommodate substantial write-ups, but additional sheets can be attached/included if necessary. Refer to included photos (especially if keyed or numbered) wherever possible in the appropriate field.
- Be sure to describe any ineligible work planned for the project. *This is not optional.* Some work may not only be an ineligible expense (e.g., demolition, new features, and additions), but could also not meet the program Standards of Rehabilitation, which in turn would make the entire project ineligible. In the sample application, new skylights are ineligible expenses as new construction/features that would still allow the whole project to meet the Standards and proceed. Consult the program Expense Guidelines, the Standards, and/or HPD staff ahead of submission for eligibility questions.
- Detailed contractor estimates (**section 5**) are required for *both* eligible and ineligible work items.
- Be sure to note and account for all eligible and ineligible work items in the project, even if the total of eligible expenses surpasses the cap of \$50,000 (\$25,000 in tax credit).
- Be mindful about the estimated project start and completion dates (**section 6**). While HPD staff and the CPRC are aware that many contractors will only honor a quote for so long, *it is imperative that project work does not commence until you have received notification of formal CPRC approval.* By statute, projects that commence prior to approval are automatically ineligible. Moreover, approved project work must be completed within 24 months of Part 1 approval.

For Part 1 Amendment Applications:

- Part 1 amendment applications are appropriate in two situations:
 1. *Updating approved project work:* Applicants may find that it is necessary to change or expand the scope of work that had been previously approved in a Part 1 application (e.g., stucco patching becomes a comprehensive stucco job). If work is going to depart from what was approved in any way, an amendment application may need approval before work begins. Moreover, an amendment application may be required if the estimated costs of previously approved work substantially change or increase. Please contact HPD staff to discuss whether a Part 1 amendment application is needed.
 2. *Adding project work:* Applicants may wish to add work to a project already approved in a Part 1 application. For example, if a Part 1 application was approved for roofing work within the last 24 months, a Part 1 amendment application—*NOT* a new Part 1 application—can be submitted for HVAC replacement.
- A Part 1 amendment application mirrors the Part 1 application, so much of the same guidance applies.
- While elevation photos are not required for this application, if you haven't submitted them with the Part 1 application, please do so here along with other amendment work-specific photos.

- Please note that an amendment neither extends the 24-month approval period nor resets the eligible expense/tax credit cap for that period. Both are tied to the current Part 1 application approval date (**section 6**).

For Part 2 Applications:

- A Part 2 application must be submitted to certify that work approved in a Part 1 application or amendment has been completed. A Part 2 application must be submitted within 60 days after completion of the work and no later than January 25 of the year following the year in which the work was completed.
- Applicants can submit Part 2 applications piecemeal as approved project work is completed or wait to submit a single Part 2 application when all approved project work is complete. The piecemeal approach may afford applicants more flexibility with their tax credit. Contact HPD staff if you have questions.
- The description of completed eligible and ineligible work (**section 3**) should mirror the features and proposed work discussed in the Part 1 application or amendment(s) (**sections 4 and 3, respectively**).
- Again, be sure to refer to included photos, which are essential for verifying that the work was completed as proposed and approved. If the photos are insufficient, more may be required to complete the application.
- Final invoices (**section 4**) detailing both the work completed and itemized costs must be provided.
- Cancelled checks and/or bank/card statements are also required to verify payment.
- Be sure that the accounting between the stated costs, invoices, and payment verification matches across sections 3 and 4 to avoid delays in the review of the application.
- The actual start and completion dates (**section 5**) are necessary to verify that work was completed within the 24-month approval period and is therefore still eligible. Actual dates may differ from the estimated dates provided in the Part 1 application or amendment as long as the work was completed within the 24-month approval period.