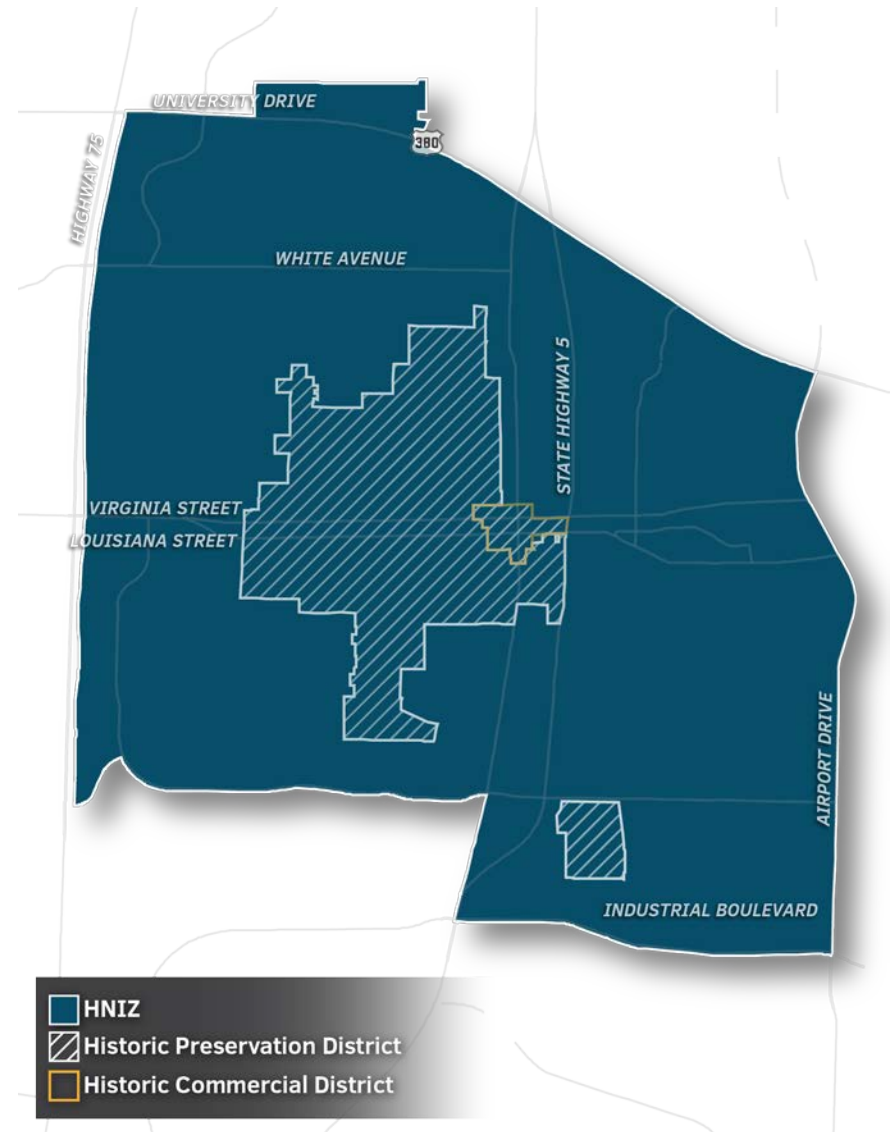


Historic Neighborhood Improvement Zone (HNIZ) Tax Exemption Program

Historic Preservation Advisory Board Meeting
November 4, 2021

Agenda

- State of the HNIZ program
- Successes
- Opportunities
- Looking Ahead



Historic Neighborhood Improvement Zone (HNIZ)

Purpose

- Preserve the city's unique and historic neighborhoods while encouraging property owners to maintain and/or rehabilitate their residences.
- Property owners within the HNIZ boundary may receive ad valorem tax exemptions inclusive of land and building improvements based on verified investment meeting specified criteria



HNIZ Program Structure

Level 1

- *Requires:* Historic marker
- *Minimum investment:* “verified investment”
- *Exemption:* a One-time 100% exemption
- *Duration :* 7 years
- *Approved by:* Historic Preservation Advisory Board

Level 2

- *Requires:* Eligible work
- *Minimum investment:* \$10,000
- *Exemption:* 50%
- *Duration:* 15 years
- *Approved by:* Buildings & Standards Commission

Level 3

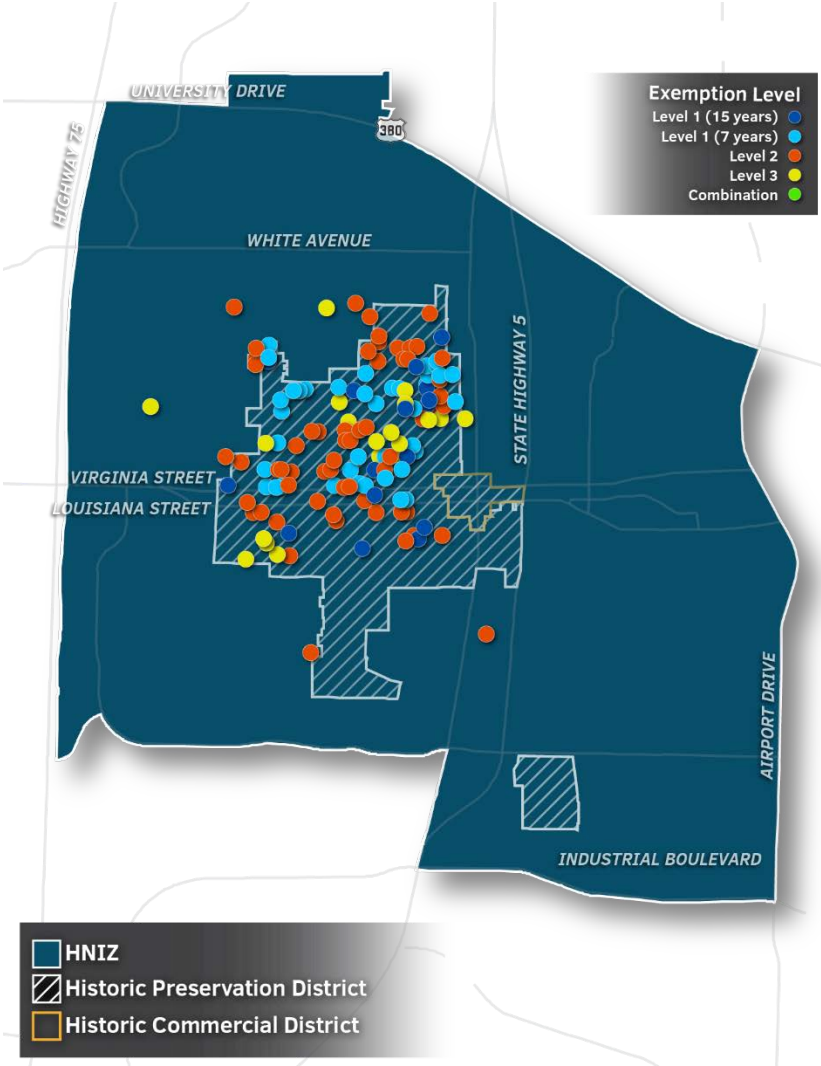
- *Requires:* Eligible work
- *Minimum investment:* \$5,000
- *Exemption:* 30%
- *Duration:* 15 years
- *Approved by:* Buildings & Standards Commission

Exemptions at a Glance

Assessed Value	HNIZ Investment	HNIZ Exemption	Taxable Value	Tax Rate <i>(per \$100 value)</i>	City Taxes Paid <i>(per year)</i>	City Taxes Exempted <i>(per year)</i>	Exemption Period	Total Taxes Exempted
\$350,000	none	none	\$350,000	\$0.00497655	\$1,742	\$0	n/a	\$0
\$350,000	Historic Marker	100% (Level 1)	\$0	\$0.00497655	\$0	\$1,742	7 years*	\$12,194
\$350,000	\$10,000	50% (Level 2)	\$175,000	\$0.00497655	\$871	\$871	15 years	\$13,065
\$350,000	\$5,000	30% (Level 3)	\$245,000	\$0.00497655	\$1,219	\$523	15 years	\$7,845

* Prior to 2013, exemption period was 15 years

HNIZ Program Boundary and Properties

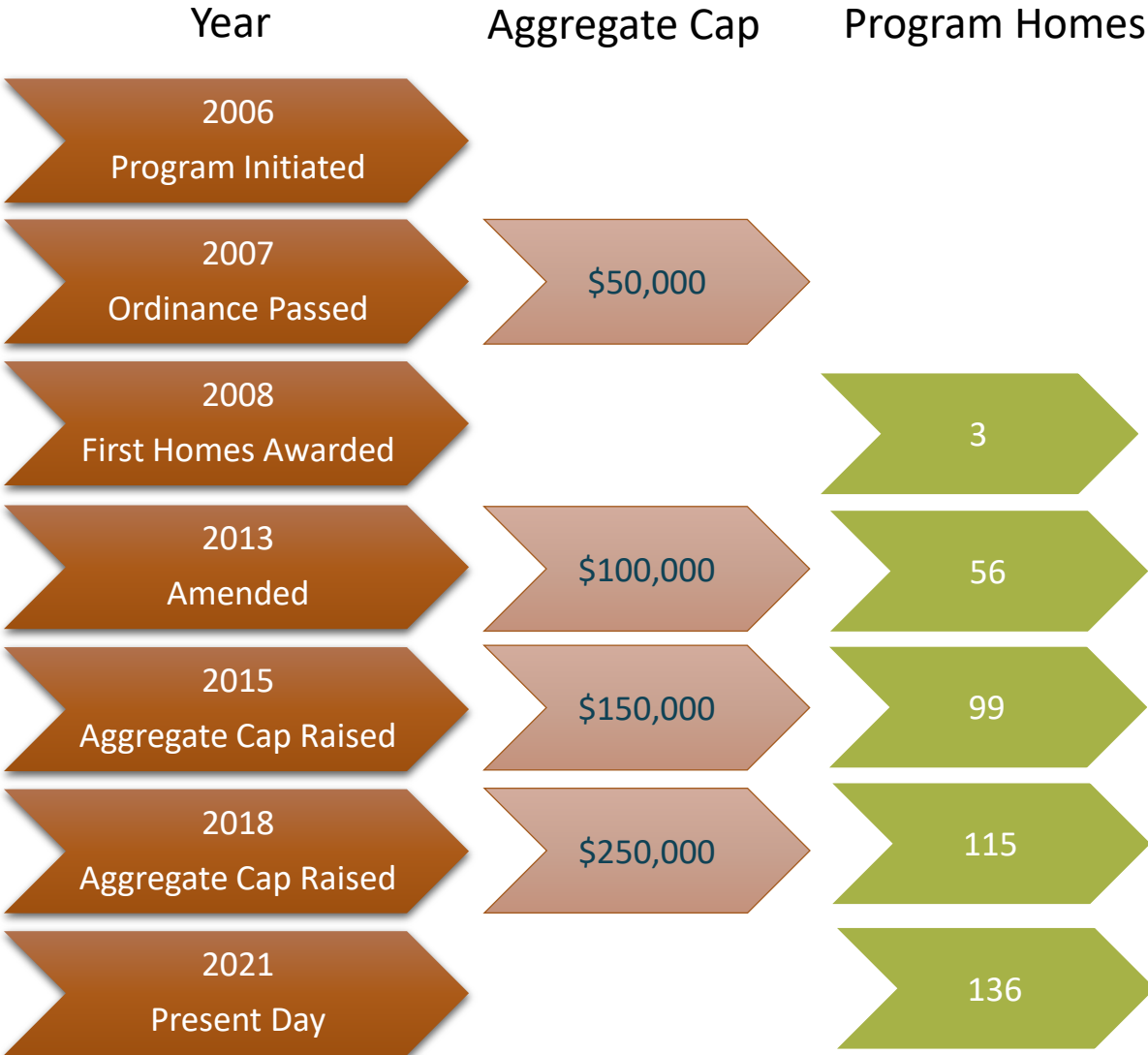


Legend

- Level 1 properties – 100%
- Level 2 properties – 50%
- Level 3 properties – 30%
- Combinations

TOTAL AWARDED EXEMPTIONS: 137

Program History



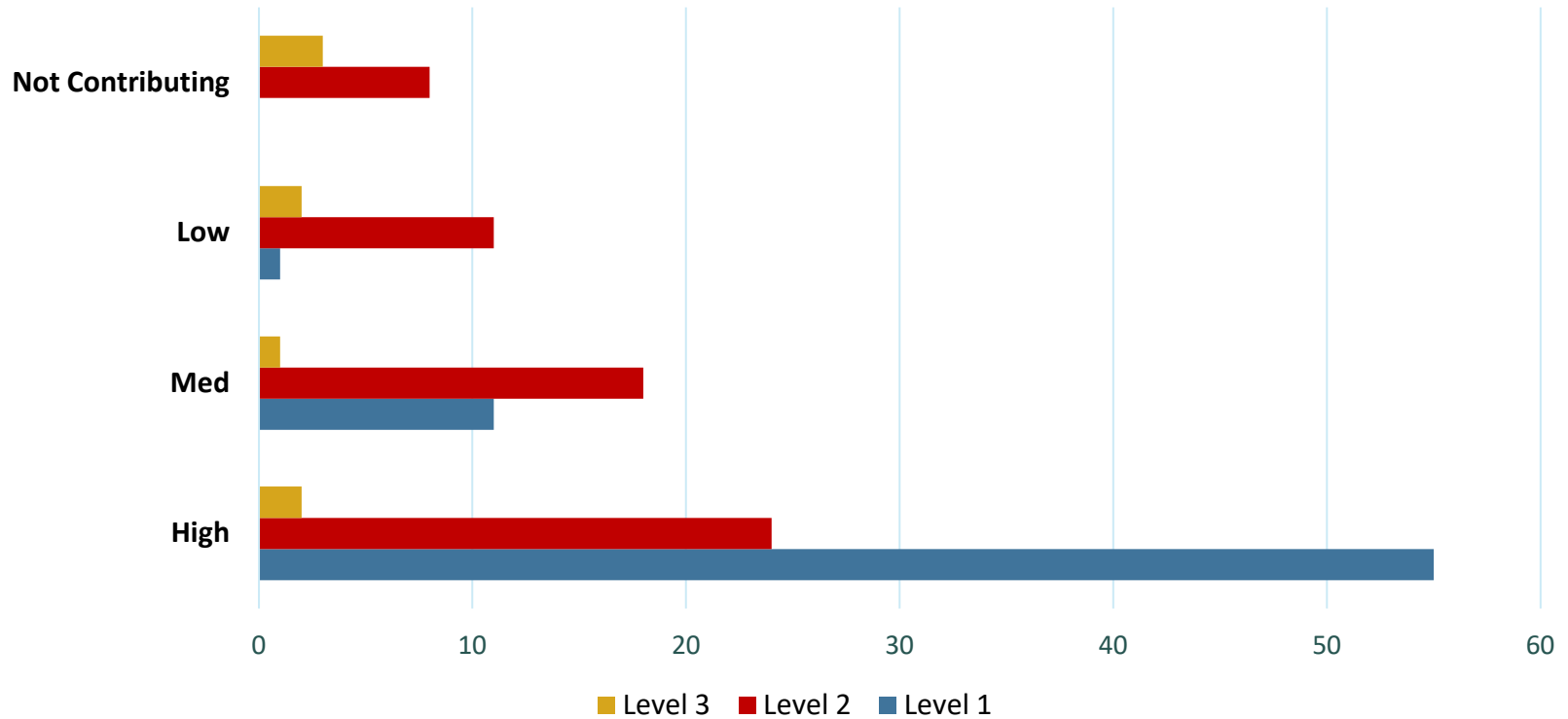
Program Status: Approved Properties

- 136 approved by March 2021
 - 12 with multiple exemptions
- 100 claiming exemption as of Aug 2021
- 7 expire in 2022
- 129 anticipated for 2022



Program Status: Historic Preservation Priorities

Approved Properties by Historic Preservation Priority



Program Status: Property Values Overview

Assessed Value Ranges by Exemption Level

	Houses	Level 1 (100%)	Level 2 (50%)	Level 3 (30%)
\$250,000 or less	17	2	11	4
\$250,001 to \$500,000	59	22	34	3
\$500,001 to \$750,000	43	29	14	0
\$750,001 to \$1,000,000	16	13	2	1
\$1,000,000 and over	1	1	0	0
TOTAL HOUSES BY LEVEL		67	61	8

Program Status: Estimated Annual Foregone Revenue

	Year	CCAD HT Exemption Value	Taxes Foregone
	2008	\$332,028	\$1,944
	2009	\$3,885,076	\$22,747
	2010	\$6,320,165	\$37,004
	2011	\$6,799,179	\$39,809
Aggregate Cap Increase	2012	\$7,896,530	\$46,234
	2013	\$8,207,402	\$48,054
Aggregate Cap Increase	2014	\$11,191,888	\$65,528
	2015	\$13,971,918	\$81,456
Aggregate Cap Increase	2016	\$19,748,795	\$113,160
	2017	\$26,234,025	\$141,715
	2018	\$32,685,933	\$171,656
	2019	\$36,309,250	\$187,210
	2020	\$32,720,258	\$166,429
	2021	\$38,068,455	\$189,449

Program Status: Anticipated Foregone Revenue 2021

- Estimated forgone revenues before CCAD certification: **\$262,767**
 - based on total properties approved for HNIZ exemption
 - based on total assessed property values
 - based on 2020 tax rate of 0.508645/\$100

- Actual forgone revenues after CCAD certification: **\$189,499**
 - based only on those properties which filed exemption documents with CCAD*
 - based on CCAD adjusted market values and reductions for precedent exemptions (i.e. Homestead, Disabled Person, Over 65)
 - based on 2021 City Tax Rate of 0.497655/\$100

**36 approved properties did not file necessary exemption documents with CCAD. Potential forgone revenues with those properties included is estimated at \$241,414*

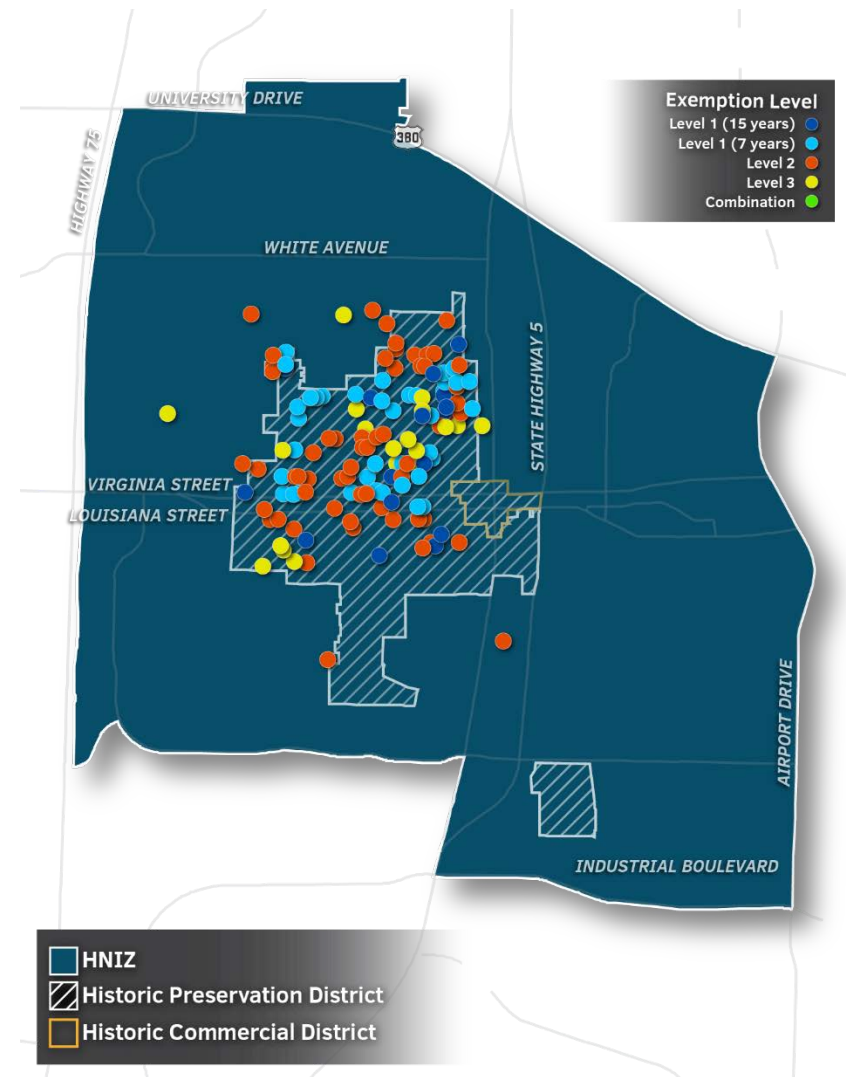
HNIZ Program Successes

- Number of participating properties continues to grow
- Property values have increased in the area



HNIZ Program Opportunities

- Increase awareness outside the historic overlay district.
- Application windows vs rolling applications
- Utilize our online Citizen Self Service portal
- Expand educational potential of marker program
- Improved administration



HINZ: Directions for the Future of the Program

- Council confirmed that the program continues to meet the goals of
 - Neighborhood investment
 - Historic preservation
- Council may consider revising or removing the aggregate cap