

Economic Incentives for the Repair and Rehabilitation of Historic Buildings



CITY OF CHICAGO
Lori Lightfoot, Mayor

Department of Planning & Development

COMMERCIAL & INDUSTRIAL BUILDINGS, OFFICES, HOTELS

Class-L Property Tax Incentive

What it does: Reduces the property tax rate for 12 years for rehabilitating a landmark building in a commercial or industrial use (must be a "Class 3", "Class 4", or "Class 5a/5b" use under Cook County's assessment classification system).

Minimum investment: 50% of the building's full market value (land value subtracted from the total full market value), as determined by the County Assessor.

Applies to:

- ✓ Chicago Landmarks
- ✓ Chicago Landmark Districts (contributing buildings)

20% Federal Rehabilitation Tax Credit

What it does: Dollar-for-dollar Federal income tax credit equal to 20% of the construction costs for rehabilitating an income-producing building. Credit may be used by the building owner or sold to a tax credit investor.

Minimum investment: 100% of the building's "adjusted basis"; that is, the purchase price minus the land cost and depreciation, plus prior improvements.

Applies to:

- ✓ Chicago Landmark Districts (contributing buildings)
- ✓ National Register of Historic Places contributing buildings)

Facade Easement Donation

What it does: A one-time, charitable, Federal income tax deduction equal to the appraised value of the preservation easement; a preservation easement is a legal agreement which assigns the rights to review and approve alterations to a qualified non-profit organization for the purpose of preserving the property.

Applies to:

- ✓ Chicago Landmark Districts (contributing buildings)
- ✓ National Register of Historic Places (contributing buildings)

Small Business Improvement Fund (SBIF)

What it does: For qualifying industrial and commercial buildings within a SBIF district, provides reimbursement grants for eligible building improvement costs.

Applies to:

- ✓ All eligible projects in SBIF districts, including those with Landmark status

Permit Fee Waiver

What it does: Waives all building permit fees (requires prior application).

Applies to:

- ✓ Chicago Landmarks
- ✓ Chicago Landmark Districts

Chicago Landmarks

Chicago Landmarks and Chicago Landmark Districts are those properties that have been officially designated by the City Council. Properties are recommended for landmark designation by the Commission on Chicago Landmarks, a nine-member board appointed by the Mayor. The Commission is also responsible for reviewing any proposed alteration, demolition or new construction affecting a landmark or landmark district.

National Register of Historic Places

The National Register is the nation's official list of places that are recognized for their historical, architectural or cultural significance. The Register is maintained by the National Park Service, and properties are listed on the Register by nominations submitted to the Illinois Historic Preservation Agency. Listing on the Register does not limit the use of properties or prevent private property owners from making changes to them.

Economic Incentives for the Repair and Rehabilitation of Historic Buildings



CITY OF CHICAGO
Richard M. Daley Mayor

Department of Planning & Development

RESIDENTIAL BUILDINGS

20% Federal Rehabilitation Tax Credit (rental only)

What it does: Dollar-for-dollar Federal income tax credit equal to 20% of the construction costs for rehabilitating an income-producing building. Credit may be used by the building owner or sold to a tax credit investor.

Minimum investment: 100% of the building's "adjusted basis"; that is, the purchase price minus the land cost and depreciation, plus prior improvements.

Applies to:

- ✓ Chicago Landmark Districts (contributing buildings)
- ✓ National Register of Historic Places contributing buildings)

Property Assessment Freeze for Historic Residences (owner-occupied only)

What it does: Freezes the assessed value over a 12-year period for rehabilitating an owner-occupied single-family home, condominium, cooperative unit, or a multi-family building of up to 6 units (where one of the units is owner-occupied).

Minimum investment: 25% of the property's market value, as determined by the Cook County Assessor.

Applies to:

- ✓ Chicago Landmarks
- ✓ Chicago Landmark Districts (contributing buildings)
- ✓ National Register of Historic Places contributing buildings)

Facade Easement Donation

What it does: A one-time, charitable, Federal income tax deduction equal to the appraised value of the preservation easement; a preservation easement is a legal agreement which assigns the rights to review and approve alterations to a qualified non-profit organization for the purpose of preserving the property.

Applies to:

- ✓ Chicago Landmark Districts (contributing buildings)
- ✓ National Register of Historic Places (contributing buildings)

Permit Fee Waiver

What it does: Waives all building permit fees (requires prior application).

Applies to:

- ✓ Chicago Landmarks
- ✓ Chicago Landmark Districts

OTHER INCENTIVES

In addition to the financial incentives identified here that apply specifically to historic buildings, some historic properties may be eligible for other economic development and assistance programs, such as Tax Increment Financing (TIF), the Chicago Greystone and Vintage Homes Program, Business Financial Assistance Incentives, including those found in Retail Thrive Zones, and possible assistance through a local Special Service Area (SSA).

Chicago Landmarks are also eligible for special allowances from certain building code requirements and for side-yard exceptions from the zoning ordinance. In certain instances, unused development densities can be transferred from landmarks to adjacent properties. Owners of historic buildings also have free access to experienced rehabilitation professionals who provide assistance with technical issues.

CHICAGO LANDMARKS



<http://www.cityofchicago.org/landmarks>

For more information about these programs, contact the Chicago Landmarks Division at:

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