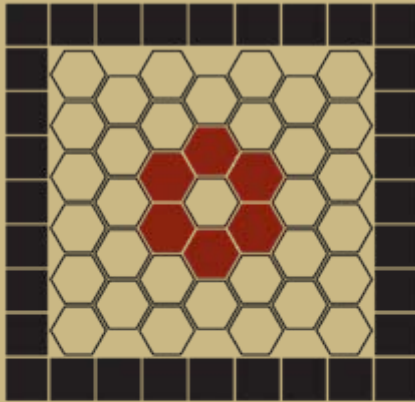


Tax Incentives for Substantial Rehabilitation



HISTORIC
HOMEOWNER
▪ FAIR ▪



Recent UDC Changes

- June 24, 2010 City Council approved several UDC amendments as recommended by Strategic Plan
- Allows tax incentive to remain with property (so if the property is sold new owner can receive incentive)
- Encourages investors to rehabilitate properties
- Makes SA tax incentive consistent with other TX cities



Substantial Rehabilitation

- Historic Landmarks and properties within historic districts
- Credit for interior and exterior work that extends the life of the property
- All work must be approved by HDRC
- Project must be Certified before work begins and Verified after completion



A photograph of a two-story house with a large window and a decorated door. The house is light-colored with a dark door and a large window with a grid pattern. There are potted plants in front of the house.

Certification Process

- Submit project to HDRC
 - Include: “before” photos, estimate, scope of work, construction documents, BCAD current appraisal, certification application
 - Receive Certificate of Appropriateness
- Do the work
 - Complete work approved on the Certificate of Appropriateness
 - Document progress (photographs)

Verification Process

- Once work is complete
 - Submit: “after” photos, receipts, verification application
 - Choose your tax incentive
 - Staff will notify Bexar County Appraisal District of approved exemption





Tax Incentive Choices

- 10 Year Freeze
 - City portion of taxable value frozen at “before” value
- 5-Zero/5-Fifty
 - No City property taxes are owed for the first five (5) years
 - For the next five (5) years, City property taxes are assessed at a value that is 50% of the post-rehabilitation assessed value

Examples

- 10 Year Tax Freeze
 - Approximately \$500 in tax savings in 2010
 - Over 10 years will become more valuable (assuming appraised value increases)
 - Over 10 years will save more than \$5,000



How it works (10 Year Tax Freeze)

Total Value: \$122,420

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
06	BEXAR CO RD & FLOOD	0.030679	\$122,420	\$122,420	\$37.56
08	SA RIVER AUTH	0.015951	\$122,420	\$122,420	\$19.53
09	ALAMO COM COLLEGE	0.135855	\$122,420	\$122,420	\$166.31
10	UNIV HEALTH SYSTEM	0.266235	\$122,420	\$122,420	\$325.92
11	BEXAR COUNTY	0.296187	\$122,420	\$122,420	\$362.59
21	CITY OF SAN ANTONIO	0.565690	\$122,420	\$40,000	\$226.28
57	SAN ANTONIO ISD	1.249700	\$122,420	\$122,420	\$1,529.88
CAD	BEXAR APPRAISAL DISTRICT	0.000000	\$122,420	\$122,420	\$0.00
SA011	San Antonio TIF #11 Inner City	0.000000	\$122,420	\$122,420	\$0.00
Total Tax Rate:		2.560297			
Taxes w/Current Exemptions:					\$2,668.07
Taxes w/o Exemptions:					\$3,134.32

► Improvement / Building

► Land

▼ Roll Value History

Savings of \$466.25

**Appraisal increased \$82,420
after rehabilitation**

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2011	N/A	N/A	N/A	N/A	N/A	N/A
2010	\$107,300	\$15,120	0	122,420	\$0	\$122,420
2009	\$27,900	\$12,100	0	40,000	\$0	\$40,000
2008	\$27,900	\$12,100	0	40,000	\$0	\$40,000
2007	\$21,300	\$12,100	0	33,400	\$0	\$33,400
2006	\$21,300	\$12,100	0	33,400	\$0	\$33,400

Example



- 5-Zero/5-Fifty
 - Approximately \$2,000 in taxes saved in 2010
 - Approximately \$10,000 in first 5 years
 - Approximately \$5,000 in next 5 years (could be more if taxable value increases)



How it works (5-Zero/5-Fifty)

BCAD.org

2010

Appraised
Value

No city taxes

2009
Improvement
Value

Total Value: \$354,200

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax	
06	BEXAR CO RD & FLOOD	0.030679	\$354,200	\$351,200	\$107.74	
08	SA RIVER AUTH	0.015951	\$354,200	\$349,200	\$55.70	
09	ALAMO COM COLLEGE	0.135855	\$354,200	\$354,200	\$481.20	
10	UNIV HEALTH SYSTEM	0.266235	\$354,200	\$354,200	\$943.00	
11	BEXAR COUNTY	0.296187	\$354,200	\$354,200	\$1,049.09	
21	CITY OF SAN ANTONIO	0.565690	\$354,200	\$0	\$0.00	
57	SAN ANTONIO ISD	1.249700	\$354,200	\$339,200	\$4,238.98	
CAD	BEXAR APPRAISAL DISTRICT	0.000000	\$354,200	\$354,200	\$0.00	
Total Tax Rate:		2.560297				
					Taxes w/Current Exemptions:	\$6,875.73
					Taxes w/o Exemptions:	\$9,068.57

▶ Improvement / Building
 ▶ Land
 ▼ Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2011	N/A	N/A	N/A	N/A	N/A	N/A
2010	\$286,490	\$67,710	0	354,200	\$0	\$354,200
2009	\$275,380	\$67,710	0	343,090	\$0	\$343,090
2008	\$290,790	\$67,710	0	358,500	\$0	\$358,500
2007	\$248,110	\$58,830	0	306,940	\$0	\$306,940
2006	\$200,610	\$58,830	0	259,440	\$0	\$259,440

Federal Tax Credits

- 20% Federal Tax Credit
 - Certified rehabilitation of a certified historic structure
 - 20% of the project costs (discount from total taxes owed)

Federal Tax Credits are administered through the Texas Historical Commission (THC) and the National Park Service (NPS)