



# Rochester Hills Minutes

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## Historic Districts Commission

*Chairperson Melinda Hill, Vice Chairperson Brian R. Dunphy*

*Members: Maria-Teresa L. Cozzolino, John Dziurman, Micheal Kilpatrick, Paul Miller, Micheal Sinclair, Dr. Richard Stamps, Jason Thompson*

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Thursday, April 10, 2008

7:00 PM

1000 Rochester Hills Drive

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**MINUTES** of the **REGULAR ROCHESTER HILLS HISTORIC DISTRICTS COMMISSION WORK SESSION MEETING** held at the Rochester Hills Municipal Building, 1000 Rochester Hills Drive, Rochester Hills, Oakland County, Michigan.

### 1. CALL TO ORDER

Chairperson Hill called the meeting to order at 7:00 PM.

### 2. ROLL CALL

**Present** 6 - Melinda Hill, Richard Stamps, John Dziurman, Brian Dunphy, Maria-Teresa Cozzolino and Jason Thompson

**Absent** 3 - Micheal Kilpatrick, Paul Miller and Michael Sinclair

Also Present: Derek Delacourt, Deputy Director, Planning & Development Department  
Judy A. Bialk, Recording Secretary

### 3. DETERMINATION OF A QUORUM

Chairperson Hill announced a quorum was present.

### 4. ANNOUNCEMENTS/COMMUNICATIONS

Chairperson Hill called for any announcements or communications. Chairperson Hill asked those in attendance to sign the sign-in sheet and noted there were handouts available. No other announcements or communications were received.

### 5. PUBLIC COMMENT

Chairperson Hill called for public comment on any non-agenda item. No public comments were received.

### 6. PRESENTATION

#### 6A. 2008-0167 Tax Credits Presentation

- Presented by the State Historic Preservation Office

Chairperson Hill stated that the Commission was hosting a presentation on Tax Credits for owners of historically designated properties. She explained that about a year ago, the Commission had hosted an open house event at the Rochester Hills Museum with a variety of sessions and topics and exhibits. Due to the popularity of some of the topics, the Commission was asked to host a more in-depth Tax Credits presentation. She noted the Commission had recently hosted a General Maintenance workshop on March 8, 2008 for property owners, and hoped to host another workshop in the future.

Chairperson Hill introduced Derek Delacourt, Deputy Director of the Planning & Development Department, and the liaison to the Historic Districts Commission.

Mr. Delacourt welcomed those in attendance in the audience and explained the purpose of the presentation was to educate those interested in the tax credits program offered by the State of Michigan. He stated Mr. Bryan Lijewski from the State Historic Preservation Office was present, who was one of the coordinator's of the program and specialized in the State Historic Tax Credits.

Mr. Lijewski thanked the Commission for inviting him to make this presentation, and noted he had also made a tax credits presentation at the Commission's Open House event held last May.

Mr. Lijewski noted that some of those in attendance in the audience were from Oakland Township, Michigan, and Romeo, Michigan. He stated that Romeo qualified as a National Register Historic District, but also had a local district.

Mr. Lijewski stated he had worked for the State since 1999, when the tax credits program was new. He noted when the program was created, he was hired to coordinate the program. He stated the State Historic Preservation Office was part of the Michigan Historical Center, which was part of the Department of History, Arts and Libraries.

Mr. Lijewski explained the State Historic Preservation Office administered a number of Federal and State Historic Preservation Programs, organized into three areas: Designation, Protection and Incentives.

Designation - includes programs such as the National Register of Historic Places, the Local Historic Districts Act, and the Historical Marker Program. The Marker Program places the green markers at historic buildings or sites. The National Register program is the national level designation, and the local districts are at the local levels. He pointed out Rochester Hills designated its local historic districts under the Local Historic Districts Act.

Protection - once significant historic properties are recognized through one of the designation programs, then ways to protect them are considered. There are programs such as the Section 106 Program. He explained any project that has Federal money or Federal license involved, the Preservation Office is consulted on that project to determine if the project will have any impact on significant historic resources. The Local Historic District Act is also considered a protection act because any changes to the exterior of significant historic properties are reviewed through the local Historic Districts Commission.

Incentives - which are intended to provide financial incentives to maintain and rehabilitate recognized significant historic resources. This includes tax credit programs and two, small grant programs. The grant programs are the Certified Local Government Grant Program and the Lighthouse Grant Program. He noted those are very specific programs and applied to very specific types of projects.

Mr. Lijewski stated his presentation would cover the State Tax Credit Program; the Federal Tax Credit Program; project examples regarding how the credits are applied, and The Secretary of the Interior's Standards for Rehabilitation. He commented his presentation would focus on the State Tax Credits Program; however, some of what he discussed would apply to the Federal program as well.

Mr. Lijewski stated the State Tax Credits program was designed to encourage investment in Michigan's historic resources. The program is administered through the Preservation Office and through the Department of Treasury. The Preservation Office provides a list to the Treasury Department each year so the Treasury Department is aware of who is eligible to claim the credit.

Mr. Lijewski stated the credit is Twenty-five (25%) Percent on the State Income Tax. He explained that meant Twenty-five (25%) Percent of what was spent on the rehabilitation. An example is putting a new asphalt shingle roof on a home that costs Ten Thousand (\$10,000.00) Dollars, and that is approved, the property owner is eligible for a Twenty-five Hundred (\$2,500.00) Dollar state income tax credit.

Mr. Lijewski stated the program was administered under two State Laws - the Individual Income Tax Act and the Michigan Business Tax Act (which replaced the Single Business Tax).

Mr. Lijewski stated a historic resource was defined by following the National Register criteria for evaluation:

- The resource should be 50 years of age or older.  
(Some resources less than 50 years of age can be considered significant enough to be designated, such as work designed by a prominent or nationally known architect might be eligible).
  
- The resource must also retain its integrity and must be considered contributing.  
(It must still be recognizable as a resource from the time period in which it was built. It must fit in with the other historic resources in the district).  
(Mr. Lijewski explained a historic district may contain individual resources that are considered non-contributing).
  
- A resource is defined as a building, structure, site, object, feature, or open space.  
(Other historic features on a site may be considered, such as sidewalks, driveways, fencing, retaining walls, certain landscape features).  
(Mr. Lijewski stated with features identified in historic documentation such as photographs or plans depicting those features, the work done on those features may be eligible for tax credits).

Mr. Lijewski stated if the resource is in a unit of government with a population of less than 5,000, the resource must meet one of the following criteria:

- Listed in the National Register of Historic Places
- Listed in the State Register of Historic Sites
- Located in a locally designated historic district

Mr. Lijewski stated if the resource is in a unit of government with a population greater than 5,000, the resource must:

- Be a locally designated district.

Mr. Lijewski stated the program was designed that way to provide some professional oversight for the property and the district through the local historic districts commissions.

Mr. Lijewski explained the types of resources eligible include:

- owner-occupied residences
- income-producing commercial, industrial or residential resources

Mr. Lijewski noted the State program covered all building use types, and was very comprehensive in building type and resource type.

Mr. Lijewski stated that in order to qualify, a property owner must have an eligible project, which is defined as a project that is at least equal to or greater than Ten (10%) Percent of the State Equalized Value (SEV) of the property. He explained

Ten (10%) Percent of the property SEV was the minimum of what had to be spent to qualify. He noted that was not “per project” but was “per application”. He explained an application could include a number of different projects. He commented the Ten (10%) Percent requirement had not appeared to be an issue for any projects he had been involved with.

Mr. Lijewski stated the rehabilitation must also be in conformance with The Secretary of the Interior’s Standards for Rehabilitation.

Mr. Lijewski stated that the expenditures must be incurred over a five-year period, which means the expenditures can be accumulated over a five-year period. He explained the five-year period is dated from the time a Certified Part II Application is obtained.

Mr. Lijewski reviewed eligible expenditures, which include:

- Mechanical, plumbing, or electrical work
- Roof work
- Painting
- Professional Fees (such as those charged by an architect or engineer)
- Application Fees
- Updating kitchens and bathrooms

Mr. Lijewski stated the State did not maintain a comprehensive list of eligible expenses. He explained that if an application is received that contains an eligible expense, the State will respond and advise the property owner the expense is not eligible and will remove it from the total project costs.

As an example of an ineligible expense, Mr. Lijewski stated they had reviewed a project for a Tudor house that had a 1987 family room addition off the back. The work involved floors and trim work throughout the house; however, the cost for any work done on the addition had to be excluded from the total project cost because the family room was a new addition to the building.

Mr. Lijewski reviewed expenditures that are not eligible, which include:

- Acquisition costs
- Furnishings
- Window coverings
- Building additions
- Appliances

Mr. Lijewski explained that building additions were reviewed as part of an over-all rehabilitation project, but the cost of the addition had to be separated from the overall project costs.

Mr. Lijewski reviewed the Tax Credit Application form. He encouraged property owners to follow the Application Form step-by-step. He noted the State only wanted what was requested on the application, and advised property owners not to “read more into the application” than what it was. He commented that about Ninety-eight (98%) Percent of the projects submitted for tax credits were completed by the property owners themselves, and do not typically involve professionals.

Mr. Lijewski stated the Application included three (3) parts.

- Part 1 - Evaluation of Eligibility.
  - Mr. Lijewski explained this was the portion of the application where the State determined the resource was eligible for the program, i.e., are you contributing in a local historic district or are you contributing in a National Register district.
- Part 2 - Description of Rehabilitation
  - Description of work to be performed.
- Part 3 - Certification of Completed Work
  - Work was completed.

Mr. Lijewski explained **Part 1** includes:

A brief description of the resource

Includes photographs and a space and materials description

(Describes resource, such as a two-storey house consisting of a kitchen, living room, dining room, bathroom; second floor three bedrooms and a bathroom; exterior painted with siding, shingles, gables and a stone foundation).

Statement of significance

Check with local historic districts commission for the reason the resource was designated.

Location map

Check with local historic districts commission.

Declaration of Location form

Must be signed by the City or a member of the Historic Districts Commission.

By signing the form, the City or HDC is verifying that the resource is a contributing resource in the local historic district.

The first fee is submitted with the Declaration of Location form.

Photographs, both interior and exterior.

Provides a good overview of what the resource is.

Mr. Lijewski reviewed some information documentation submitted with application projects, which included photographs of all sides of a resource, and interior photographs depicting the details and character of the interior spaces. Larger resources have submitted twenty to thirty photographs.

Mr. Lijewski explained **Part 2** includes:

Work Description

(i.e. new asphalt shingle roof)

(Example: Resource has two layers of asphalt shingles over the original wood shingles. Proposed project is to remove the two asphalt layers, remove the wood shingles, put on new vinyl sheathing, and a new, 30-year dimensional shingle)

(A contractor's estimate that describes the work proposed is useful)

Plans and specifications

(i.e., garage doors or storm doors - include product and manufacturer information)

Estimated cost of rehabilitation

(allows State to verify the project meets the 10% requirement)

(can be a "best guess" estimate)

Verification of SEV Form

- Has to be signed by the City

(do not just send a copy of the Tax Assessment Statement)

Photographs of areas of work

- Depict feature being worked on

(digital photographs should be submitted on photographic paper, as those printed on bond paper do not show sufficient detail)

Amendment Sheet

project may change as work progresses

as changes occur, amendment should be submitted

(i.e. - a \$25,000 project was approved under Part 2; however, Part 3 is submitted and costs rose to \$50,000 and no changes were submitted, the State will question the change in project costs)

Mr. Lijewski reviewed **Part 3** (work has been completed and ready to claim tax credit), which includes:

Photographs of completed work  
(Some applications provide stages of work being done)

Application fee  
- determined by the amount of rehabilitation expenses  
(can be included as part of the project cost)

Credit can only be claimed in the year that Part 3 is certified.  
(To claim on 2007 taxes, Part 3 would have to be certified and dated prior to December 31, 2007).

(The State has a 45-day review period - if want certified for 2007 - Part 3 due by September 15, 2007).

*(Arrive Mr. Miller: 7:28 PM)*

**Present** 7 - Melinda Hill, Richard Stamps, John Dziurman, Brian Dunphy, Maria-Teresa Cozzolino, Jason Thompson and Paul Miller

**Absent** 2 - Micheal Kilpatrick and Michael Sinclair

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Mr. Lijewski then discussed the Preservation Office's review of State Tax Credit projects. He noted the local historic districts commission reviews exterior changes to designated resources, as well as reviews any interior changes that would affect the exterior of the resource. With the Tax Credits Application, the State reviews the entire project, both interior and exterior changes, and property owners can apply for expenditures for both.

Mr. Lijewski stated that the credit is claimed the year the work is certified by the Preservation Office, and the credit can be carried forward for ten (10) years. He explained that if the credit cannot be used, it can roll over for up to ten (10) years.

Mr. Lijewski noted the credits were also subject to a redemption period of five (5) years. If the property owner sells the property or make changes to the resource that do not apply to the Standards, the Department of Treasury can take back a portion of the credits. He explained the credits average out to about Twenty (20%) Percent



per year, so if the property is sold the year after the credits are claimed, Eighty (80%) Percent would be recaptured by the State.

Mr. Lijewski discussed work that may have been completed prior to the property owner knowing about the tax credits. He stated the State did review applications for work that had been completed, but always recommended that the application be submitted, reviewed and approved by the State prior to any work being done.

Mr. Lijewski stated that an application can be submitted for work that had already been completed within the last five (5) years. However, "before work" photographs must be submitted with the application. He noted it was not critical that before work photographs of electrical or plumbing work be submitted, as that was not something that was seen by the public. Roof work or exterior painting work would require before work photographs.

Mr. Lijewski stated that if an application is being submitted for completed work, that work must comply with The Secretary of the Interior's Standards.

Mr. Lijewski stated that all certifications were made by the State Historic Preservation Office. He noted applicants had the right to appeal certification decisions. At the end of the year, the Preservation Office sends a list of all projects that have been certified to the Department of Treasury. Tax Credits are claimed on Treasury Form 3581, which is a two-page form. A general breakdown of the expenditures will also have to be submitted with the tax form. He noted partnerships and limited liability companies would be required to submit a Form 3614, and would be used with the company's Michigan Business Tax filing.

Mr. Lijewski discussed several examples of projects completed through the tax credits program and the various elements associated with those projects, such as front porch restoration; removal of artificial siding; new exterior paint schemes; a historically accurate concrete two-track driveway; interior renovations; new roof; repair/replacement of windows, and new HVAC, plumbing and electrical. He commented that historical photographs were helpful in establishing the historical accuracy of a resource's features.

Mr. Lijewski noted that the Penney House, located in Canton, Michigan, had been rehabilitated at a cost of \$342,176, and received state income tax credits of \$84,544. This property also received the 2007 Governor's Award for Historic Preservation.

Mr. Lijewski stated there were two (2) Federal Tax Credits programs - a Ten (10%) Percent program for the rehabilitation of non-historic buildings built prior to 1936. He noted "non-historic" meant it was not designated and was not on the National Register. He commented the Preservation Office did not review the Federal Tax Credits program.

Mr. Lijewski stated a Twenty (20%) Percent credit was for the rehabilitation of certified historic resources listed on the National Register of historic places. He noted the rehabilitation must be substantial because there was a minimum expenditure requirement for the Federal program. He stated the Preservation Office reviewed these projects to ensure they complied with the Standards, and forwarded them to the National Park Service for review. Ultimately, the National Park Service approved the Federal projects.

Mr. Lijewski stated that if a property owner was combining the State and Federal programs for a project, the credits allowed were Twenty (20%) Percent for the Federal, and Five (5%) Percent for the State. He explained the Twenty-five (25%) Percent State Tax Credits could not be combined with the Twenty (20%) Percent Federal Tax Credits. The maximum percentage allowed is Twenty-five (25%) Percent.

Mr. Lijewski reviewed The Secretary of the Interior's Standards, and noted that four (4) sets of Standards had been developed - one set for preservation; one set for reconstruction; one set for rehabilitation, and one set for restoration. He noted there were distinct differences between the four sets of Standards, and the set used by the Preservation Office and local historic districts commissions were the Standards for Rehabilitation.

Mr. Lijewski stated that "rehabilitation" was defined as:

The process of returning a property to a state of utility, through repair and alternation, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its history, architecture and cultural value. (36 CFR Part 67)

Mr. Lijewski stated that definition contained the terms "repair" and "alteration" which acknowledged that buildings would change over time and they would adapt and have new uses; but when those changes were made and the buildings adapted, the significant historic features would be retained.

Mr. Lijewski explained there were ten (10) standards, which were broadly worded because they had to apply to all building and resource types. He noted additional information about the Standards could be obtained from the National Park Service website. He then reviewed each Standard and discussed some examples of each.

Standard 1      A property shall be used for its historic purpose or be placed in a new use that requires minimal changes to the defining characteristics of the site and environment.

Mr. Lijewski discussed a residential example of a former worker's home with a simple gabled front that was a very common form of home in the district in which it was located. An application was submitted for three building additions along with an interior rehabilitation. He commented that the Preservation Office did review additions as part of a rehabilitation project, however, it was encouraged that additions be placed on the back so they are not visible from the public right-of-way. It was determined for this particular application that the proposed additions were not in keeping with the historic character of the property and were not eligible for the tax credits program, because the proposed additions changed the mass of the building and it would no longer be a simple, gable-front house and changed the overall character of the property.

Standard 2      The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.

Mr. Lijewski discussed a proposed project involving a house that had changed over time such as changes to the windows and the front entry. However, the same basic five-gable form remained, the windows were in the same location, the door was in the same location, although the porch had been changed. However, overall the context of the integrity of how the house was built remained. This particular project involved changes to the front of the resource that did not meet the Standards, including the addition of dormers and the replacement of a window and addition of another gable over that window.

Standard 3      Each property shall be recognized as a physical record of its time, place and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.

Mr. Lijewski discussed a project involving a cottage in Northern Michigan that included the submittal of historic photographs of the resource. The porch had been enclosed at some point in time, which because of the age (the 50-year rule) and because of the design and integrity became an important part of the evolution of the house. However, the proposed rehabilitation work on the exterior included the addition of conjectural features such as detailed brackets along the gable ends and another porch addition, which did not comply under Standard 3.

Standard 4      Most properties change over time; changes that have acquired historic significance shall be retained and preserved.

Mr. Lijewski stated that in looking at the evolution of a historic resource, certain changes may be important to the resource. He discussed a home that had removed a front porch that had been added after the home was built, but which conformed to the other homes in the district. The original stoop covering over the front door was restored, and the front porch removed. In this case, the front porch should have been retained because it represented the evolution of the house in that district and how the styles changed.

Standard 5      Preserve distinctive features, finishes, construction techniques and craftsmanship.

Mr. Lijewski discussed two neighboring houses that had most likely been built identically, based on the massing and detailing. One of the houses had changed very little over time; however, the other had many changes. The house with few changes would probably be considered “contributing;” however, the other home would be “non-contributing” because of the artificial siding, a front bay window, removal of other windows, and the inclusion of wood detailing along the gable ends. Those changes caused that house to be less significant than the home with few changes and which remained true to the style of which it was originally built.

Standard 6      Repair versus Replace.

Mr. Lijewski stated this referred to repair of deteriorated historic features, or when replacement is required, it should match the visual qualities of the original. He noted this was the Standard that really utilized historic photographs, because they depict what was there originally. He referred to an example of a home that had a cement tile roof, which originally had a red glaze on them, but the glaze had worn away, and because they were thin, the tiles were also very brittle. Over time, the tiles were breaking and allowing water to pass through, requiring the roof to be replaced. The property owner could not find the same tile to use for replacement, but did find a clay tile that was more substantial, which required some engineering upgrades to the structure to hold the new tile roof. That proposal became unfeasible, and the property owner subsequently proposed the use of an alternate material - a pressed metal roof shingle that had aggregate imbedded in the surface to give it the texture, the color and the profile of the original cement tile roof. The Preservation Office approved the use of alternate materials because it closely matched the original materials.

Mr. Lijewski stated that alternate materials might not be approved for such features as a front porch, and noted it depended on the feature itself and how it was being applied. In the case of the roof, the roof was visually distant from the public right-of-way, and untouchable by the public. It could be seen, and visually it matched the original.

Mr. Lijewski discussed an interior example of a bathroom where many of the original fixtures had been removed prior to the application being submitted, and no historical documentation regarding the original fixtures was included. The project included the removal of the original subway tile on the walls, the black and white tile floor and the wainscoting. The rehabilitation project lost all its historical materials and no attempt was made to match the historical materials. Subsequently, that project was not approved for the tax credits program.

Standard 7 Do not use chemical or physical treatments that damage historic materials.

Mr. Lijewski stated this Standard tried to ensure that no abrasive cleaning measures were used, such as sand blasting or high-pressure water washing, which could damage historic material. He suggested the gentlest cleaning method be tried first. He acknowledged that sometimes this may require a more complicated or a more labor-intensive method. He noted there were products made specifically for the removal of paint or dirt.

Standard 8 Protect Archeological Resources.

Mr. Lijewski noted this Standard was not used much, but was important and could come into play in a project. He provided an example of a footing for a porch column. The property owner wanted to rebuild a porch that had been removed and did not have a historic photograph. After a rainstorm, some swale was washed away, and exposed a footing, which then provided a clear indication of where the original columns were located and should be rebuilt for the porch.

Standard 9 New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale and architectural features to protect the historic integrity of the property.

Mr. Lijewski stated that Standard 9 said compatible, contemporary design should be used for new construction. He discussed a resource with an inappropriate addition to the rear of the home, which was removed with a proposal to install a more historically accurate shed-roof covered porch. He commented in this particular project, the Preservation Office approved the sketch submitted; however, the finished construction was not approved because the porch was changed during construction.

Standard 10 Design new additions which if removed retain the form and integrity of the historic property.

Mr. Lijewski discussed a home located in Ypsilanti that had a complete interior and

exterior rehabilitation, which sat on a corner lot. A proposed garage addition was looked at very carefully because the size of the proposed garage addition at first appeared to be too large for the house. However, the garage addition was ultimately approved because it was connected to the house with a setback and provided a clear distinction between the house and the garage addition. He noted the house was fairly massive with two stories and large, tall roof forms, and the garage addition was secondary to the main structure.

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Mr. Lijewski concluded his presentation by conducting a brief question and answer session.

1. If a structure is proposed to be moved to a historic site, such as a barn, would that be eligible?

The costs of moving the structure are not eligible, because they are considered acquisition costs. Once the structure was located on the site, and money was being spent to rehabilitate it, those rehabilitation costs would be eligible as long as the local historic districts commission has reviewed the project, the study committee had done the research and concluded the structure was a contributing resource to the property.

2. If a kitchen is remodeled, are those costs eligible?

The Preservation Office sees many kitchen remodels. Typically, kitchens and bathrooms have been updated over time. In most cases, remodeling expenses are eligible because the property is being adaptively reused. Original cabinets and pantries should probably be incorporated into the new design; original features such as doors, trim or window trim should remain during the rehabilitation.

3. How do new building codes and requirements fit into rehabilitation projects?

In Grand Rapids and Kalamazoo, the historic districts staff work with the code officials to try to define those types of projects as repair rather than replacement. In those types of cases, a lower railing height may be maintained on a historic resource.

Code issues need to be taken into account in reviewing proposed projects.

4. Were tax credits approved for the garage addition discussed regarding the house in Ypsilanti?

No. The project was only reviewed as part of the overall project for the rehabilitation of the house.

5. If a garage was added by a prior owner in the late 1980's, would repair work or garage door replacement qualify for tax credits?

No. The garage would not be considered a contributing resource.

6. If an application is submitted, and not all items included in Part 2 are completed at the same time, and Part 3 is submitted for the completed items, does another Part 2 have to be submitted.

If Part 2 is submitted, and there are ten items on Part 2, and the Preservation Office approves it, and only five items are completed, the remaining five items can be deleted and credit claimed for the completed items. Once Part 3 is certified, and you want to submit for more expenditures, you would have to start over with Part 1 and Part 2.

Some people may want to extend the time they can use the credits depending on their tax liability and the credit amount, as they have a ten-year window. Multiple applications might be submitted to extend the time the credit can be claimed.

7. What about landscaping, such as replacing dead trees.

If landscaping is being done as part of the rehabilitation project, that is not an eligible expense.

If a historic photograph exists depicting maple trees in front of a home, and the trees are no longer there, replanting maple trees in front of the house may be an eligible expense.

If trees are starting to grow over on to the roof and affecting the resource, removal of those trees would be an eligible expense. There would have to be a reason for the removal of the tree.

8. If a structure is a live/work building, such that a property owner lives above the first floor, does that cause a problem because the property is both a residence and a place of work.

If a property owner lives in part of a property and rents out another part, which is common in two-story houses that have been converted to apartments, it could become tricky if the Federal Tax Credit Program is used. If only State Tax are applied for, the use does not matter.

If the work is eligible for the Federal program and the Federal tax credits are applied for, only the expenditures on the first floor (business use) would be eligible. The costs for half of what is spent, such as reproofing, would have to meet the minimum expenditure requirements, and costs for the upper floor (living space) would have to be excluded. It is a bit more complicated.

9. Could the Federal Tax Credits be used for the business portion, and then the State Tax Credits for the residential portion of the structure, i.e., separate the square footage of the structure.

Yes, that could be done.

10. If no original photographs are available, but there is verbal history about a site, such as there were two massive oak trees on the property.

That would be taken into consideration. Might also want to look at some type of documentation that depicted the type of landscaping that was being done, or what was popular at the time the structure was built.

11. Would a non-profit organization, such as a private school, qualify for tax credits for rehabilitation work?

There are ways to use the tax credit program, but it is more complicated. A for-profit entity, or someone who could use the tax credit, would have to become part of the ownership of the structure. It would have to remain that way for five years for the recapture period.

If an organization does not pay taxes, they are not eligible for tax credits.

12. Are there any State resources available, such as grants, for low-income or those who cannot afford rehabilitation costs?

There are not any programs like that. There may be housing programs or something through the housing development authority, but not through the Preservation Office.

The grant programs that are available through the Department of History, Arts and Libraries are very specific, such as the lighthouse program.

13. If there is an asphalt shingle roof, with wood shingles underneath, how does that fall under the Standards?



When the Preservation Office looks at a project, they look at the resource as it exists today. They do not hold current property owners responsible for what former property owners did. If there is currently an asphalt shingle roof, which is the common material today for a roof, and the property owner wants to replace it with an asphalt shingle roof, that is acceptable as they are matching what is there.

If the property owner said they had an asphalt shingle roof, with wood shingles underneath, and they wanted to replace the asphalt with wood - great, that would qualify for the tax credits.

If the property owner had the same situation, and wanted to put on a metal roof. That would not be approved because the resource never had that feature, and was never part of that property.

14. Would the same situation apply if the structure was a barn, would a metal roof be acceptable?

Probably not. It would depend if there was documentation to show that the structure originally had a metal roof, it would be eligible.

15. If there were two barns on the property, and one had a metal roof and the other did not, could the barn with the non-metal roof have the roof replaced with a metal roof.

Probably not.

Mr. Lijewski thanked the audience for their participation, and thanked the Historic Districts Commission for hosting the presentation.

Chairperson Hill thanked Mr. Lijewski for making the presentation, and thanked the audience for attending and participating. She stated that forms and other information could be found on the City's website, or at the Planning & Development Department. She asked the Commissioners to return to the dais to conclude the meeting.

**This matter was Presented**

## **7. ANY OTHER BUSINESS**

Chairperson Hill asked if there was any other business. She stated that the Earl Borden Award presentation would be held at the May 12, 2008 City Council meeting.

Chairperson Hill asked if the Commissioners wanted to hold an additional meeting

this month, since this meeting was a Tax Credits Presentation and no official business would be conducted, particularly before the Earl Borden presentation is held.

Mr. Miller stated he could provide a short introduction and the announcement of the award for use during the presentation. Chairperson Hill stated it would be helpful to have something to acknowledge the recipients during the presentation. Mr. Miller stated he had some ideas for that reason. The invitation was being “mocked up” and would be completed, proofed and ordered next week. They would be mailed about three weeks prior to the presentation.

Chairperson Hill asked if the revised Property Owners Guide had been completed, based on the changes discussed at the last meeting, and if the Guide would be brought back to the Commission for a final review.

Mr. Delacourt stated the changes would be made. If there were any questions about the proposed changes, the Guide would be brought back to the Commission for clarification. Otherwise, the Guide would be finalized, and made available on the City’s website and at the Planning & Development Department. Also, a letter would be sent to the designated property owners letting them know it was available and if they wanted a printed copy to contact the Planning & Development Department.

Chairperson Hill asked for an update regarding the properties previously discussed by the Commission with respect to potential demolition by neglect.

Mr. Delacourt stated the Rochester Road property had been secured and ventilated, and some of the exterior issues addressed.

Mr. Delacourt stated that with respect to the Crooks Road property, the property owner had received a variance from the Zoning Board of Appeals and submitted plans for a Building Permit. He noted those plans were consistent with the Commission’s approval. He was not aware if the plans that had been submitted were sufficient to receive a Building Permit, but they were under review by the Building Department.

Chairperson Hill referred to the former Prewitt property, which had been sold recently. Mr. Delacourt stated he had met with two gentlemen that he believed had purchased the property. Those individuals had met with the Building Department, and they were advised of the outstanding issues from the sellers. He understood they intended to speak to the sellers about those issues. He noted he had not heard from either party since that time. The house was still secure based on the actions of the sellers.

Chairperson Hill noted the “for sale” sign in front of that residence had been removed during the last two weeks, and nothing new appeared to have been done on the site.

Mr. Delacourt stated he had been asked about the adjacent vacant lot, and there was some question about who owned that vacant parcel.

Mr. Miller asked if any applications had been received or if there was anything the Commission needed to act on that would require another meeting this month.

Mr. Delacourt stated there was nothing outstanding or under review at this time.

Chairperson Hill stated it did not appear that an additional meeting would be required. She asked if a joint workshop had been arranged between the Commission and City Council. Mr. Delacourt stated the request had been made, and had suggested a meeting be arranged between the Council President and the HDC Chairperson to discuss an agenda for the workshop, but had not been given a date as this time.

Chairperson Hill asked if there was any other business. No other business was presented.

## 8. ADJOURNMENT

Upon motion duly made and seconded, Chairperson Hill adjourned the meeting at 8:50 PM.

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Melinda Hill, Chairperson  
City of Rochester Hills  
Historic Districts Commission

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Judy A. Bialk, Recording Secretary

Approved as [presented/amended] at the June 12, 2008 Regular Historic Districts Commission Meeting